Maritime & Coastguard Agency

Instructions for the guidance of surveyors on International management code for the safe operation of ships and for Pollution prevention (The ISM code)

MSIS02

R03.26

PREFACE

0.1 These instructions for the guidance of surveyors are not legal requirements in themselves. They may refer to statutory requirements elsewhere. They do represent the MCA Policy for MCA surveyors to follow.

0.2 If, for reasons of practicality, for instance, these cannot be followed then the surveyor must seek at least an equivalent arrangement, based on information from the owner/operator. Whenever possible, guidance should be sought in the first instance from either the Technical Manager, or Principal Consultant Surveyors or the ~~Safety Management~~ Audit and Verification Operations, in order to maintain a consistent approach between Marine Offices.

Recent Amendments

The amendments made in the most recent publication are shown below, amendments made in previous publications are shown in the document Amendment History.

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1. Introduction and background

1.1. Purpose of the instructions

1.1.1 These Instructions to Surveyors have been produced by the Maritime and Coastguard Agency (MCA), an Executive Agency of the Department for Transport (DfT), for the guidance of surveyors auditing safety management systems both at sea and ashore. Additionally, they provide guidance for those concerned with the procedures adopted by the MCA for carrying out audits for verification of compliance with the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code).

1.2. The ISM Code

1.2.1 The ISM Code was adopted by the IMO as Resolution A.741(18), in November 1993. It came into force on 1 July 1998 through SOLAS Chapter IX, ‘‘Management for the Safe Operation of Ships’’. The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention.

1.3. Why is there an ISM code?

1.3.1. The origins of the ISM Code go back, internationally, to the late 1980s when there was mounting concern about poor management standards in shipping. It is estimated that a high proportion of maritime accidents (80%–90%) are attributable to human error. Investigations into accidents highlighted shortcomings on the part of ship management both at sea and ashore. In 1987 the IMO Assembly adopted Resolution A.595(15) which called upon the Maritime Safety Committee to develop guidelines concerning shipboard and shore-based management to ensure the safe operation of roll-on/roll-off (Ro-Ro) passenger ferries. The tragic loss of the Herald of Free Enterprise in 1987 was a catalyst in this process.

1.3.2. Following this, the UK unilaterally introduced, for UK passenger ships of Classes II and IIA, The Merchant Shipping (Operations Book) Regulations 1988 (S.I.1988 No.1716). These regulations, which were superseded by S.I. 1997/3022 and S.I. 1998/1561, were developed around the two central tenets that;

- Such ships carry a book (called the operations book) containing instructions and information for safe and efficient operation;
- Owners of ships nominate a person (known as the Designated Person ~~Ashore~~ (DPA)) to oversee the operation of their ships and to ensure proper provisions are made so that the requirements of the operations book are complied with.

1.3.3. These requirements are also fundamental provisions of the ISM Code. The ISM Code seeks to address the human element of ship operations.

1.3.4. After the loss of the Estonia in 1994 the Council of the European Union adopted Council Regulation (EC) No. 3051/95 on 8 December 1995 on the safety management of roll-on/roll-off passenger ferries. From 1 July 1996 this Regulation made compliance with the ISM Code mandatory for seagoing passenger Ro-Ro ferries operating a regular service to or from a port of an EU Member State.

1.3.5. The Merchant Shipping (ISM Code) (Ro-Ro Passenger Ferries) Regulations 1997 (S.I. 1997 No. 3022) provide for the enforcement of this Council Regulation. At the Conference of Contracting Governments to the 1974 Safety of Life at Sea (SOLAS) Convention, held in May 1994, a new chapter (Chapter IX) was added to the Convention which made compliance with the ISM Code mandatory, from either 1 July 1998 or 1 July 2002 depending on ship type. The ISM Code itself was adopted on 4 November 1993 under Resolution A.741(18). The ISM Code has since undergone amendments in 2006, 2009, 2010, 2015 and 2018.

1.4. UK and IMO measures towards safe management of ships

1.4.1. As a result of the major incidents detailed above, several measures were taken both nationally and internationally:

- Resolution A.596 entitled ‘‘Safe Management and Operation of Ships’’ was adopted in 1987;
- The UK implemented the Merchant Shipping (Operations Book) Regulations, S.I. 1988 No. 1716 (now superseded);
- Resolution A.647 ‘‘IMO Guidelines on Management for Safe Operation of Ships and for Pollution Prevention’’ was adopted in 1989 (superseding A.596);
- A further Resolution, A.680, entitled ‘‘IMO Guidelines on Management for the Safe Operation of Ships and for Pollution Prevention’’ was adopted in 1991, superseding A.647
- Resolution A.741 ‘‘International Management Code for the Safe Operation of Ships and for Pollution Prevention’’, the ISM Code, was adopted in 1993.

1.5. Principles and objectives of the ISM code

1.5.1 Given that no two shipping companies or ship managers are identical and that ships operate under a wide range of different conditions, the ISM Code is expressed in broad terms and based on general principles and objectives. This provides companies with the scope to develop their own Safety Management System (SMS) whilst meeting the provisions of the ISM Code. The Code imposes no prescriptive measures and takes a holistic view of a Company and the way in which it operates its ships. The objectives of the ISM Code are to ensure safety at sea, prevention of human injury, loss of life and the avoidance of damage to the environment, in particular to the marine environment. The ISM Code requires owners and operators of ships to put in place a SMS, the mandatory application of which is to ensure compliance with rules and regulations related to the objectives of the Code and the effective implementation and enforcement thereof by Flag State Administrations.

1.6. The safety culture

1.6.1 The Code aims to support and encourage the development of a safety culture within the shipping industry whilst improving compliance with the requirements of international conventions. The Code requires that Companies establish safety and pollution prevention objectives and develop, implement and maintain a SMS and a systematic approach to the safe management of ships by those responsible, both ashore and afloat.

1.7. The UK policy

1.7.1 The MCA recognises that the ISM Code encourages an enhanced safety and pollution prevention culture within the shipping industry. Therefore, it was decided that the MCA (as the UK Flag State Administration) would retain direct responsibility for the assessment and audit of UK shipping companies and ships against the ISM Code. All UK flag vessels are expected to have the SMS Manual written in or translated into English to enable MCA Auditors to carry out audits.

1.8. The ISM audit for compliance

1.8.1 Audits are carried out to verify compliance with the ISM Code in accordance with the IMO Resolution A.1188(33) - 2023 Guidelines on Implementation of the International Safety Management (ISM) Code by Administrations In addition, the International Chamber of Shipping, in association with the International Shipping Federation, has produced ‘‘Guidelines on the Application of the IMO International Safety Management (ISM) Code’’ and IACS has produced PR 09 on “Procedural requirements for ISM Code certification”. It is recommended that surveyors become familiar with these publications as they establish underlying principles for verifying that a shipping Company’s SMS complies with the ISM Code.

1.9. Index of documents

1.9.1 The following documents are particularly relevant to the ISM Code:

- The ISM Code: IMO Resolution A.741(18), adopted 4 November 1993;
- IMO Resolution A.1188(33) - 2023 Guidelines on Implementation of the International Safety Management (ISM) Code by Administrations
- Guidance to Companies operating multi-flagged fleets and supplementary guidelines to Administrations: IMO MSC/Circ. 762 of 11 July 1996;
- Guidelines on the application of the IMO International Safety Management (ISM) Code, sixth edition, published jointly in 1993 by the ICS/ISF, amended and updated in 2024;
- The Merchant Shipping (International Safety Management (ISM) Code) Regulations 202~~614~~ (S.I. ~~2014~~ 2026 No. 194);
- Guidance on the Qualifications, Training and Experience necessary for undertaking the role of the Designated Person under the provisions of the International Safety Management Code (ISM). IMO Circular (MSC-MEPC.7/Circ. 6 19 October 2007);

- Revised guidelines for the Operational Implementation of the International Safety Management (ISM) Code by Companies. IMO Circular MSC-MEPC.7/ Circ. 8 28 June 2013); and
- ~~Regulation (EC) No. 336/2006 on the implementation of the ISM Code within the community~~.
- Maritime Cyber Risk Management in Safety Management Systems - Resolution MSC.428(98) (adopted on 16 June 2017)
- Guidelines on Maritime Cyber Risk Management (MSC-FAL.1/Circ.3)

2. Legislative requirements

2.1. International legislation

2.1.1 Chapter IX of Safety of Life at Sea (SOLAS), Management for the Safe Operation of Ships, requires the mandatory application of the ISM Code on ships engaged on international voyages.

~~2.2. European union legislation~~

~~2.2.1. The Council of the European Union adopted Council Regulation (EC) No. 3051/95 in December 1995, which required advance mandatory application of the ISM Code for all sea going passenger roll-on/roll-off ferries operating a regular service to or from a port of a Member State of the European Community, regardless of the vessel's flag. The Regulation entered into force on 1 July 1996.~~

~~2.2.2. EC Regulation 336/2006 repeals Regulation (EC) No. 3051/95 and requires certain domestic cargo and passenger vessels to comply with ISM Code not later than 24 March 2008. Regulation 336/2006 applies to the following types of ships and companies operating them:~~

- ~~Cargo ships and passenger ships, flying the flag of a Member State, engaged on international voyages.~~
- ~~Cargo ships and passenger ships in EU category A and B waters engaged exclusively on domestic voyages, regardless of their flag.~~
- ~~Cargo ships and passenger ships operating to or from ports of the Member States, on a regular shipping service, regardless of their flag.~~
- ~~Mobile offshore drilling units operating under the authority of a Member State.~~

2.3. Merchant shipping (ISM code) regulations ~~2014~~2026

2.3.1 The Merchant Shipping (International Safety Management (ISM) Code) Regulations 2026 (S.I. 2026/194) apply the ISM Code to all vessels subject to the SOLAS Convention and to certain other vessels, reflecting provisions formerly derived from EU legislation, now retained within domestic law. ~~The Merchant Shipping (ISM Code) Regulations 2014 (S.I. 2014 No.1512) provide for the application of the ISM Code on all vessels to which the SOLAS Convention applies and to other vessels to which the EC Regulation 336/2006 applies.~~

3. The certification process

3.1. The document of compliance (DOC)

3.1.1 A Document of Compliance (DOC) will be issued to a Company when the shore-side aspects of the SMS are fully compliant with the requirements of the ISM Code. The DOC is specific to the ship type(s) operated by the Company and for which the SMS is implemented at the time of audit. During a Safety Management Certificate (SMC) audit on board a ship, a copy of the DOC should be accepted as evidence that the Company's shore-side management structure complies with the requirements of the ISM Code. A copy of the DOC should be placed on board each of the Company's ships. It is **not** necessary for the copy of the DOC to be authenticated or certified.

3.2. The safety management certificate (SMC)

3.2.1 Following a successful audit, a SMC will be issued to each individual ship provided that the Company holds a valid DOC. A copy of each SMC should be retained in the Company's office records, the original being placed on board and retained with all other statutory certificates.

3.3. Issue of interim DOC and SMC

3.3.1. An interim DOC may be issued to facilitate initial implementation of the Code when:

- A Company is newly established; or
- New ship types are to be added to an existing DOC (as described above).

3.3.2. An interim SMC may be issued:

- To new ships on delivery.
- When a Company takes on responsibility for the operation of a ship which is new to the Company; or
- When a ship changes flag.

3.3.3. An interim DOC, valid for a maximum of twelve months, may be issued providing a Company can demonstrate its SMS meets the objectives of paragraph 1.2.3 of the ISM Code. The Company will need to prove that measures are in place to implement the full requirements of the ISM Code within the period of validity of the interim DOC. When conducting interim DOC audits consideration should be given to Section 14.4 of the ISM Code that stipulates the requirements in respect of interim SMC audits.

3.3.4 An interim SMC, valid for not more than six months, may be issued to a new ship on delivery and when a Company takes on responsibility for the management of a ship which is new to the Company. In special circumstances the interim SMC may be extended for a further six months. This is only to be done in consultation with MCA HQ Audit and Verification Operations. ~~When an interim SMC is extended, the full-term SMC should be dated from the expiry of the first interim certificate.~~

3.3.5 Before an interim SMC is issued the auditors should satisfy themselves that:

- The DOC or interim DOC is relevant to that ship.
- Key elements of the ISM Code have been included in the shipboard SMS and have been assessed during the audit of the Company's SMS.
- The master and officers are familiar with the SMS and arrangements for its implementation.
- Instructions identified as being essential have been provided prior to sailing.
- There are plans in place for the Company to carry out an internal audit of the ship within three months.
- Relevant information on the SMS is given in a working language understood by the ship's personnel.

3.4. Companies operating a multi-flagged fleet

3.4.1. When a Company operates a multi-flagged fleet, it should propose a plan of action to the relevant Flag Administrations and secure a consensus on the audit process. A DOC should be issued by each of the Flag States. The IMO has issued a MSC Circular entitled ''Guidelines to Companies operating multi-flagged fleets and Supplementary Guidelines to Administrations'' (see MSC/Circ. 762).

3.4.2. DOC audits are always carried out by the MCA unless UK flag ship(s) form a minor proportion of a multi-flagged fleet in which case MCA **may** delegate the DOC audit to another flag state or recognised organisation which can perform the audit and issue the DOC on behalf of MCA. If the Company operates passenger ships, the DOC audit will have to be carried out by the MCA.

3.4.3. For a Company with UK flag ship(s) on the Enhanced Authorisation ~~Scheme~~ Safety System, forming a minor proportion of a multi-flagged fleet, the MCA will ~~carry out~~ undertake the initial/renewal DOC Audits and **may** delegate the annual DOC audits to another flag state or recognised organisation which can perform the audit on behalf of the MCA.

3.5. Amending the DOC to include new ship types

3.5.1. When a Company decides to expand its scope of operations to include additional ship type(s), an interim audit will be required prior to issuance of a DOC to ensure that the necessary provisions are in place within the SMS to manage the additional ship type(s). Following a successful audit, an interim DOC, valid for no more than 12 months, should be issued. The existing DOC will remain unaffected for the period of validity of the interim DOC (see paragraph 3.3 of these Instructions).

3.5.2. When sufficient objective evidence has been compiled to demonstrate that the SMS is effectively implemented in respect of the new ship type(s), the Company should be revisited prior to the expiry of the interim DOC. Following a successful audit, both the interim and full-term DOC's should be withdrawn and a new DOC issued to

include all additional ship type(s). The expiry date of the new DOC should coincide with that of the original full-term DOC.

3.5.3. During the period of validity of the interim DOC, the new ship types will carry a copy of the interim DOC together with their interim SMC's. It must be noted that only an interim SMC can be issued on the back of an interim DOC. The existing ships of the fleet will be unaffected and will hold copies of the full-term DOC.

3.5.4. If during an annual DOC audit, it is evident that the Company has not operated a particular ship type for the last two years, the particular ship type should be removed from the DOC. This needs to be done in consultation with MCA HQ.

3.6. Cancellation or suspension of DOC or SMC

3.6.1. Only the MCA may cancel or suspend a DOC or SMC. When a major non-conformity has been identified the MCA may either suspend or cancel the DOC and require such a certificate to be surrendered. In this case all SMCs associated with the DOC will likewise be invalidated, rendering the ship(s) liable to detention if the MCA considers that a Company is unable to operate ships without creating a risk of:

- Serious danger to safety of life;
- Serious damage to property; or
- Serious harm to the environment or that company.

3.6.2. An authorised person (S.I. 1998 No.1561 Reg. No. 16(b)) may suspend the operation of ships by that Company until such time as any risk is removed or a valid DOC held.

3.7. Extension of certificates/audits not requested on time

3.7.1. Extension of any ISM certificate should not be encouraged as owners/managers have ample opportunity to get these organised. The ISM Code allows the extension of the validity of an interim SMC for a further period of 6 months. This should only be done, if the MCA is unable to ~~put~~ arrange for a surveyor to be on board before the expiry of the interim certificate, and the Company had given appropriate notice for carrying out the audit or the vessel is in an area to where travel is prohibited. Any such extension is to be given only after consulting MCA HQ Audit and Verification Operations.

3.7.2. If during an initial audit (DOC or SMC) it is found that the Company/ship does not merit the issuance of a full-term certificate due to the number of non-conformities, a short-term certificate valid for 3 months is to be issued so that ~~another~~ an additional audit can be ~~carried out~~ undertaken prior to the issuance of a full term certificate. This is to be done in consultation with MCA HQ Audit and Verification Operations.

3.7.3 If the Company/ship fails to request the initial/intermediate/renewal audits and the DOC/SMC does not get endorsed or expires, the certificate becomes invalid. The Company needs to provide a written explanation for allowing the certificate to lapse and the auditor should consider further action in consultation with MCA HQ Audit and Verification Operations. In such a case an audit to the scope of a renewal audit

is to be carried out and a new certificate issued. For all such cases a new certificate would need to be issued with the same expiry date as the earlier certificate. A major non-conformity needs to be raised, which can be downgraded on satisfactory completion of the audit, and an additional audit would need to be carried out for closing out the downgraded non-conformity.

3.8. Certificate Convention and Regulation Reference.

3.8.1. When issuing an ISM certificate (MSF 1900 DOC or MSF 1901 SMC) using Pelorus, ensure the correct convention or regulation reference is selected from the 'issued under the provisions of' drop-down menu. This selection must accurately reflect the vessel's compliance status with the ISM Code as follows:

- For vessels subject to SOLAS ISM requirement, select **SOLAS.**
- For vessels not subject to SOLAS ISM requirements, but required under UK ISM regulations, select **Merchant Shipping (International Safety Management (ISM) Code) Regulations 2026**
- For vessels voluntarily complying with the ISM Code, select **Voluntary Certificate.**

3.8.2. Where a Company operates vessels of differing compliance types (e.g., SOLAS vessels alongside voluntary compliance vessels), the more stringent option shall be selected when issuing a DOC. For example, if a Company operates both SOLAS and voluntary vessels, the SOLAS option must be selected.

3.8.3. Notes on SOLAS/UK Regulation Vessel Types

3.8.3.1. For the purposes of selecting the appropriate ISM certificate reference, SOLAS vessels typically include:

- Passenger ships, including passenger high-speed craft, engaged on international voyages
- Cargo ships and MODU of 500 gross tonnage and above engaged on international voyages

3.8.3.2. For the purposes of selecting the appropriate ISM certificate reference, Merchant Shipping (International Safety Management (ISM) Code) Regulations vessels typically include:

- Cargo Ships of 500 gross tonnes and above, engaged on domestic seagoing voyages
- High-speed offshore service craft
- Ro-Ro passenger ships on domestic voyages (any gross tonnage)
- Passenger ships operating in sea areas A & B (any gross tonnage)
- Passenger high-speed craft on domestic voyages (any gross tonnage)

3.8.4. Certificates shall be updated to the latest Pelorus template at the next issuance or endorsement of the certificate.

4.0 Conducting the audit

4.1 Auditor qualifications: basic competence for performing verification

4.1.1 Minimum Educational Requirements

4.1.1.1 In accordance with the requirements of the ISM Code, appendix "Standards on ISM Code certification arrangements" sections 3 and 4, prospective MCA ISM Code auditors must have a minimum of formal education comprising the following:

- Qualifications from a tertiary institution recognised by the MCA within a relevant field of engineering or physical science (minimum two-year programme); or
- Qualifications from a marine or nautical institution and relevant seagoing experience as a certified ship's officer.

4.1.1.3 Each application for Lead Auditor training will be reviewed on a case-by-case basis. The minimum standard of certification from a tertiary institution will be Higher National Diploma (or equivalent) in a relevant engineering or technical subject.

4.1.1.4 The minimum level of certification will be either Master (Unlimited) STCW II/2 or Chief Engineer (Unlimited) STCW III/2.

4.1.2 Minimum Training Requirements

4.1.2.1 Provided that prospective ISM Code Lead auditors meet the educational standards as detailed above, the following minimum standard of training must be met in order to ensure an adequate level of competence and skills particularly with regard to:

- Knowledge and understanding of the ISM Code.
- Mandatory rules and regulations.
- The terms of reference which the ISM Code requires that the companies take into account.
- Assessment techniques of examining, questioning, evaluating and reporting.
- Technical and operational aspects of safety management.
- Basic knowledge of shipping and shipboard operations; and
- Participate in 4 audits (at least 1 DOC & at least 1 SMC) and Lead in 2 more audits (DOC or SMC) under supervision.

4.1.3 Theoretical Training

4.1.3.1 All prospective auditors must achieve a pass grade from either the MCA Lead Auditor Course or an acceptable equivalent which is deemed to cover all the above requirements.

4.1.4 Practical Training

4.1.4.1 In general, the practical phase of training will not commence until the theoretical phase has been completed.

4.1.4.2 Participation in four audits (at least one DOC & at least one SMC) and Lead in two more audits (DOC or SMC) under supervision are to be successfully completed prior to qualification (although some candidates may need to fulfil additional ~~re~~audits before qualifying as Lead Auditor). There is no maximum number of audits after which a candidate automatically qualifies.

4.1.4.3 Interim/additional audits are not considered as qualifying audits for a Lead Auditor.

4.1.4.4 New entrants into the MCA who have qualified as Lead Auditors with any of the MCA recognised classification societies and have maintained their continuous professional development need not attend the MCA Lead Auditor Course. They will however need to undergo a familiarisation with MCA procedures and conduct a minimum of two audits under supervision in order to verify familiarity with MCA requirements and procedures.

4.2 The safety management system (SMS)

4.2.1 To comply with the requirements of the ISM Code every Company should develop, implement and maintain a SMS which should embrace the objectives of the Code. Compliance with the requirements of the ISM Code should be verified by determining:

- That the SMS meets the requirements of the ISM Code.
- That the objectives laid down in paragraph 1.2.1 of the ISM Code are met.
- That all identified risks to the ships, personnel and the environment have been assessed and safeguards established.
- That personnel have received the appropriate training and familiarisation in the tasks for which they have responsibility.
- That they are carrying out their work in accordance with the Company's procedures.
- That tasks are being carried out with due regard for safety.

4.2.2 In the normal course of events, a General Inspection (GI) will be conducted in parallel with the SMC audit. Previous reports of MCA inspection and deficiencies and port state control inspection reports should be reviewed to obtain a fuller perspective of the ship's history. An emergency drill should be witnessed as far as is practicable. Since it is likely that UK ships, other than passenger ships, may not be visited by MCA surveyors for intervals of up to three years the SMC audit should take into consideration the MCA's Survey and Inspection Policy with regard to the conduct of emergency drills and exercises. In the case of passenger ships that undergo a Passenger Safety Certificate Survey on an annual basis, if a drill has been conducted within the last 12 months and evidence of this can be provided, the requirement for a drill may be waived. In the case of ships other than passenger ships, an emergency drill should be witnessed at the time of the SMC audit. The Company must be made aware of this requirement prior to the audit in order that appropriate arrangements may be made.

4.2.3 The Maritime Safety Committee (MSC) affirms that an approved SMS should take into account cyber risk management in accordance with the objectives and functional requirements of the ISM Code. The Companies are therefore encouraged to ensure that cyber risks are appropriately addressed in safety management systems. ~~no later than the first annual verification of the company's Document of Compliance after 1 January 2021.~~ (Reference Maritime Cyber Risk Management in Safety Management Systems - Resolution MSC.428(98)). The associated guidance which needs to be referred to are - Guidelines on Maritime Cyber Risk Management (MSC-FAL.1/Circ.3). DfT have produced a Code of Practice for cyber security for ships which would be a useful reference for companies.

4.3 Request for audit

4.3.1 Applications (MSF 5100 forms) for the initial, annual or renewal DOC verification audits and for initial, intermediate or renewal SMC verification audits should be made by the Company direct to the Company's Customer Service Manager (CSM) at the designated/most appropriately located Marine Office (MO) to where the ship is located. The MO will then need to raise a service ticket with Pelorus Support for ~~raise~~ an electronic file in SharePoint to be created (if one does not already exist) and organise the audit.

4.4 Document review and planning

4.4.1 The first stage of a DOC interim audit (and renewal audits if the SMS has undergone considerable changes) will be the document review. The purpose of the document review is to verify that the Company has a SMS that addresses the requirements of the ISM Code prior to an interim DOC audit. Following the receipt of an application requesting an interim DOC audit and payment of the appropriate fees, the MCA will review the SMS documentation as part of the pre-audit assessment. The Company would need to send the SMS documentation (electronic or hard copy) to the MCA Lead Auditor to enable this to happen.

4.4.2 The documents used to define and implement the SMS may be described as the SMS Manual and may take the form that the Company considers most appropriate. As a basis for planning the audit, the auditor should review the SMS Manual to ensure the requirements of the ISM Code are met. The documents submitted should be the latest version and the review should preferably take place two weeks prior to the proposed audit. If it is established that the system is inadequate, the audit may be delayed until the Company has undertaken corrective action. The document review will provide an overview of the management structure and SMS used by the Company and assist the auditor(s) in developing an audit plan.

4.4.3 The KISS (Keep it Short and Simple) principle should be fully embraced as excessive documentation may hinder the effectiveness of the SMS. Care should be taken to limit the SMS documentation to sufficiently cover its application to safety and environmental protection. Companies should structure their documentation in the way they find most effective and is clearly demonstrated by objective evidence.

4.4.4 Auditors need to be aware that the SMS documentation may often be part of an integrated system which includes other management systems like quality and

environmental management. Provided all the elements of the ISM Code are covered, this should not prove problematic.

4.4.5 The ISM Code presents a challenge to the management of ships, both ashore and sea-going by providing a reasonable balance of procedures and records etc. If the documentation is insufficient, the requirements of the SMS will not be adequately met; equally, if overcomplicated, the SMS will overwhelm the users and be counterproductive to safety.

4.4.6 When a SMC audit has been requested for a ship which operates under a DOC issued by, or on behalf of another Administration, a copy of that DOC and sufficient previous DOC audit reports should be obtained for review prior to the audit. In addition, copies of the SMS manuals may be requested.

4.5 Initial audits

4.5.1 Initial audits will generally be in two phases:

- An audit of the Company's shore-based management organisation for compliance with the requirements of the ISM Code. Following the satisfactory completion of this audit a DOC will be issued to the Company. All ships are required to hold a copy of the DOC; however, this need not be authenticated or certified (Section 13.6 of the ISM code); and

- An audit of the Company's ships in order to verify compliance with the requirements of the ISM Code. This will include a verification that the DOC for the Company, which is responsible for the operation of the ship, is applicable to that particular type of ship and that a copy is held on board. Upon a successful audit of each ship a SMC will be issued. The original version of which shall be retained onboard, and a copy retained in the company office files

4.5.2 Companies should acknowledge the safe receipt of DOCs & SMCs.

4.5.3 In general, an initial or renewal audit can be expected to be completed by one auditor in one day on a cargo ship; however the timescale would vary in accordance with the size, type of ship, the nature and size of the Company and their preparedness for the audit.

4.5.4 A rule of thumb for calculating duration is as follows (see table 1): The duration of the DOC audits would be dependent on the size of the Company/fleet and the presence of satellite offices. The duration of the SMC audits would be dependent on the size / complexity of the vessels and the number of crew.

Audit Type	Companies Operating Cargo Vessels	Companies Operating Passenger Vessels
Document Review	2 - 4 hrs	6 - 8 hrs
DOC Interim Audit	4 - 6 hrs	8 - 12 hrs
DOC Initial/Renewal Audit	6 - 8 hrs	12 - 24 hrs
DOC Annual Audit	6 - 8 hrs	8 - 24 hrs
SMC Interim Audit	4 - 6 hrs	6 - 8 hrs
SMC Initial/Renewal Audit	6 - 12 hrs	16 - 48 hrs
SMC Intermediate Audit	6 - 10 hrs	16 - 24 hrs

4.6 The document of compliance (DOC)

4.6.1 The purpose of the DOC audit is to assess the ability of the SMS to meet the provisions of the ISM Code and to ensure that these are fully implemented and understood at all levels within the Company. These include:

- Compliance with mandatory rules and regulations; and
- That Codes, guidelines and standards recommended by the IMO, MCA, or other industry bodies have been taken into consideration. These documents may be incorporated into the Company's SMS.

4.6.2 The DOC audit will take place at the Company's principal place of business (normally the office from which the DPA operates). If a Company operates from more than one location where different safety management functions are performed, then these other locations will need to be visited. All records within the Company should be available for examination during an audit. These can include records of all relevant ship types operated by the Company, statutory and classification records, personnel records and records of ship maintenance etc.

4.6.3 The auditor should also be satisfied those personnel, both ashore and sea-going, have received training and are competent to perform their duties within the SMS. The way the auditor assesses the ability of the Company to meet the objectives of the ISM Code is as follows:

- Review of the Company's documentation i.e. the SMS.
- Discussion and interview with members of staff at all levels of the management team holding responsibility for functions within the SMS.
- Observation of documentary evidence (e.g., Records, logbooks, checklists and reports concerning UK flag vessels); and
- Observation of working practices.

4.6.4 A DOC will be issued following a successful audit of the shore side aspects of a Company's SMS. Objective evidence should be available to demonstrate that the Company has been operating the SMS for a minimum of three months ashore and on board their ships for a full-term DOC to be issued. Records of internal audits would also need to be verified.

4.6.5 Prescriptive management of packaged systems produced by consultancy firms may result in Companies implementing requirements which are not suited to their operation and in so doing undermine the philosophy of the ISM Code. The SMS needs to be specific to the vessel and to their type of operation (section 11.3 of the ISM Code refers).

4.6.6 Auditors are reminded that they are attending for the purpose of verifying compliance with the ISM Code and not to criticise the methodology a Company has adopted to achieve compliance. Although some systems may appear to be cumbersome, this should not be of concern if the personnel can demonstrate their familiarity.

4.6.7 A DOC is issued in respect of the type(s) of ship(s) operated by the Company at the time of initial verification and for the type of ships they intend to operate in the near future, and which are covered within the SMS. Should the Company wish to extend the scope of management at a later stage to include additional ship types a further audit should be carried out and, if successful, the DOC replaced. See section 3.5 of these Instructions.

4.6.8 The renewal verification should include an assessment of each element of the SMS and its effectiveness in meeting the objectives of the ISM Code. A renewal audit is required prior to the expiry date (it may be arranged within 3 months before the expiry) of the existing DOC. If a renewal audit is carried out prior to this 3-month window, the certificate will be dated from the date of completion of the audit.

4.6.9 When a major non-conformity is raised a DOC or SMC cannot be issued. Similarly, an existing certificate cannot be endorsed for either annual or intermediate verification and should be withdrawn until sufficient corrective action has been taken to downgrade the major non-conformity. Any major non-conformity requires an additional audit within 3 months to close out the downgraded non-conformity.

4.6.10 When non-conformities are raised, a timescale for the implementation of corrective action should be agreed. Several non-conformities in the same area of operation may be raised as a single major non-conformity. Similarly, a number of observations under the same section of the Code may be issued as a single non-conformity.

4.6.11 The following arrangements, if put in place by the Company, will assist the auditor(s) in carrying out the audit:

- The appointment of an individual, who is fully conversant with the Company's SMS, to act as audit guide. The guide should make any introductions necessary, arrange for meetings and interviews with Company personnel, provide a steer around the offices and make available the Company's files, reports and other documents as requested.

- The allocation of office space, ideally separate from that used by company personnel, for use by the auditor(s); and
- Access to all relevant documents. Where documentation is stored electronically access to a computer terminal ~~is essential~~ will be required.

4.6.12 Although these arrangements would be beneficial, it might not always be practical to follow this process depending on either the size of the office or the ship.

4.7 The safety management certificate (SMC) audit

4.7.1 The objective of the SMC audit is to assess the implementation of the Company SMS on board their ships to meet the operational requirements of the ISM Code and to ensure that these are fully implemented and understood at all levels within the vessel. These include:

- Compliance with mandatory rules and regulations; and
- That codes, guidelines and standards recommended by the IMO, MCA, or other industry bodies have been taken into consideration. These documents may be incorporated into the company's SMS.

4.7.2 The SMC audit should only be carried out on a ship operated by a Company which holds a valid DOC relevant to that ship type. If there is any doubt in this regard MCA HQ Audit and Verification Operations should be consulted. Objective evidence should be available to demonstrate the effective implementation of the Company's SMS over a period of at least three months. This should include records of the Company's internal audit of the vessel.

4.7.3 Co-operation between the MCA and the Company/ships is essential in order to establish an audit plan which is convenient ~~to~~ for all parties concerned. In order to assess the implementation of the SMS on board, sufficient time must be allowed for an effective audit to be conducted. The scope of the SMC audit will cover all aspects of the vessel's operation and will include verification of compliance with documented procedures, the interview of a random sample of personnel and risk assessments, the examination of documentation and records etc.

4.7.4 The SMC is valid for five years from the date of completion of the initial audit except when an interim has been extended. An intermediate audit is required between the second and third anniversaries. The intermediate audit should determine the effective functioning of the SMS and ensure that any amendments made since the previous audit comply with the requirements of the ISM Code. Depending on the nature of any non-conformities identified the MCA may consider it necessary to carry out additional verification audits. The Company should conduct audits of its ships, at intervals of not more than 1 year, dependent on the size of the fleet, which allows for a meaningful assessment of the effectiveness of its SMS. The renewal audit should include an assessment of each element of the SMS relating to that vessel and the effectiveness of the SMS in meeting the objectives of the ISM Code. The fees charged for ISM audits should be based on the time taken by surveyors to complete all aspects of the work at the hourly rate applicable at the time of audit. Estimated fees are payable in advance of audits.

4.7.5 SMC audits should not be carried out when the vessel is in dry dock/extensive refit as the ship is not considered operational during that time.

4.8 Annual verification (DOC) and intermediate verification (SMC) audits

4.8.1 A DOC is valid for a period of up to five years and is subject to an annual audit in order to ensure that the Company is continuing to operate its SMS in accordance with the requirements of the ISM Code and to verify any amendments made to it. The audit should include the examination of statutory and class records relating to at least one ship of each type to which the DOC applies. All sections of the Code must be addressed. The annual DOC verification must be carried out within a six-month window that falls three months either side of the anniversary date of the DOC. The intermediate SMC verification must be carried out between the 2nd and 3rd anniversary dates of the SMC.

4.8.2 If the annual DOC verification or the intermediate SMC verification is not carried out within the specified window, the relevant certificate (DOC/SMC) becomes invalid. When the verification is subsequently carried out, a major non-conformity needs to be raised which can be downgraded on successful completion of the verification. An additional audit would then need to be carried out within 3 months to close out the downgraded major non-conformity.

4.8.3 In general, annual and intermediate audits will follow the same process and methodology as the initial or renewal audits. The main difference being that a smaller sample of records may be taken.

4.9 DOC and SMC renewal audit

4.9.1 The audit for the renewal of a DOC or SMC should be carried out prior to the expiry date of the existing certificates. If the renewal audit is conducted within three months of the expiry date of the existing certificate, the new certificate will run for a period of no more than five years from the date of expiry of the existing certificate. In this case a certificate may appear to have been issued with a validity of more than five years. The auditor must ascertain the circumstances under which the certificate was issued. If the audit is conducted more than three months prior to the expiry date of the existing DOC or SMC, ~~then~~ the new certificate will be valid for a period of no more than five years from the date of completion of the audit. The renewal DOC or SMC audit should include an assessment of all elements of the SMS relating to the ship and shore management, address all sections of the ISM Code and evaluate the effectiveness of the SMS in meeting the objectives of the ISM Code.

4.9.2 NB If the Company holds an interim DOC, the validity of the interim SMC should be 6 months or 12 months if extended (see section 4.8), but under no circumstances shall it exceed the date of expiry of the interim DOC. On issuance of the full-term DOC, the full-term SMC may then be issued.

4.10 Responsibilities of lead auditor

4.10.1 The responsibilities of the lead auditor include the following:

- Liaising with the Company.
- Ensuring fees are received prior to audit.
- Reviewing the Company's documentation.
- Raising a service ticket with Pelorus Support to create the Company /ship file in SharePoint if not already present.
- Preparing an audit plan and sending it to the Company prior to the audit.
- Selecting the audit team, including verifying their auditor qualifications.
- Chairing the opening meeting.
- Co-ordinating the audit.
- Chairing the closing meeting.
- Agreeing corrective action with the Company and the timescale for completion.
- Preparing the certificate(s) for issue.
- Preparing the audit report within 15 working days from date of audit completion as far as practicable.
- Ensuring that the Technical Manager (TM) reviews the audit report. If the TM is not available, the report should be reviewed by another auditor or G7 Principal or Consultant Surveyor who has not been involved in the audit.
- Completing the survey works order.

4.11 The audit plan

4.11.1 In preparation for an audit, the lead auditor should prepare the audit plan using MSF 1717 (DOC) and MSF 1718 (SMC). The audit plans, which are available on MLD/SCMS, should be forwarded to the Company/vessel prior to the commencement of the audit, preferably a few days in advance.

4.11.2 The auditors should examine the Company's documentation, files and procedures taking into consideration that auditing is a sampling process and that not every file and procedure can be examined within the time allocated for the audit. In addition to the audit of files and other appropriate documentation, time must be allocated for interviews and discussions with members of the management team. The period allocated for the audit will be dependent upon the size and complexity of the Company and the number of ships in the fleet. A fire/boat drill should be carried out as far as practicable as part of SMC audits and time should be allocated for the same in the audit plan.

4.12 Guidance on typical agenda for opening and closing meetings

4.12.1 The opening meeting should be chaired by the lead auditor and will usually include the following elements which will be applicable to both DOC and SMC audits:

- Introductions by members of the audit team and the Company's management.
- A record of company personnel who attended the meeting to be included in the audit report. A template of attendance record sheet is provided in Annex A of this document.
- The purpose and scope of the audit to be explained e.g. The ISM Code.

- The authority of the MCA to conduct the audit on its own behalf, or on behalf of another Flag State, to be emphasised.
- The audit plan, drawn up in advance, to be reviewed and any changes agreed between the Company and the auditors. This will include, but not be limited to, the sites/areas to be visited, persons to be interviewed, documentation to be reviewed and the timing of meetings to accommodate meal breaks.
- Flexibility is essential. It should be made clear that the audit will work around the demands of the Company, movements of personnel, meetings and any other requirements.
- The lead auditor will ensure that in a SMC audit the safety of the vessel and crew should not be compromised at any time and the audit should not affect vessels normal operation like cargo commitments, crew rest periods, doctor going ashore etc.
- The categories of non-conformities should be clearly explained; all non-conformities or observations found during the audit must be brought to the attention of the auditees as soon as they are identified and not to be raised only during the closing meeting.
- Confidentiality of the audit between the Company, MCA and any other responsible administration(s) should be confirmed, noting legitimate Freedom of Information (FOI) requests may need to be considered. This is important as the auditor(s) will require access to a wide range of files and documents which support the SMS.
- Disclaimer: auditing is a sampling process, and the auditor(s) may not identify all existing non-conformities; and
- Company representatives should be given an opportunity to raise questions.

4.12.2 The method of carrying out the audit should be outlined and will include, but not be limited to, the following:

- Interviews with key members of the management team as laid down in the audit plan.
- A detailed examination of the SMS; familiarity with and understanding of the safety and environmental policy, manuals, procedures, and instructions, working practices, recruitment and training records, management reviews, internal audits, classification records, accident and non-conformity reports.
- Discussions with members of staff at all levels.
- Findings which may result in the raising of a specific non-conformity should be promptly drawn to the attention of a company representative, preferably at the time this is identified; and
- It should be emphasised that a ship audit should not be rushed for completion due to vessel's cargo commitments/schedules. If there is insufficient time for completion of the audit the owners/managers must make arrangements to carry out the audit at a later date and bear the additional expenses.

4.12.3 The standard closing meeting agenda (very similar to the opening meeting) will include the following elements and be applicable to both DOC and SMC audits:

- Introductions by members of the audit team and the Company's management.

- A record of company personnel who attended the meeting to be kept and included in the audit report. A template of attendance record sheet is provided in Annex A of this document
- The purpose and scope of the audit to be reiterated.
- The authority of the MCA to conduct the audit on its own behalf, or on behalf of another Flag State, to be re-~~stated~~ iterated.
- The audit findings to be presented, including both the areas of good practice~~positives~~ and the ~~negatives~~ areas where improvement is required.
- Confidentiality of the audit between the Company, MCA and any other responsible administration(s) to be reiterated.
- The disclaimer to be clearly explained: that auditing is a sampling process, and the auditor(s) may not identify all existing non-conformities. For example, if no non-conformities are identified in a particular area, it does not necessarily mean that none exist; and if non-conformities are raised it does not necessarily mean that there ~~se~~ are not more ~~the only ones~~ in that area.
- Company representatives should be given an opportunity to raise questions.
- The lead auditor may not continue with an audit if any of the following conditions prevail:
  - There is insufficient time to complete the audit.
  - The conduct and support from the auditees are not acceptable; and
  - A major incident/accident has occurred on board/company which might affect conducting the audit.

4.12.4 A note giving reasons for not completing the audit must be included in Pelorus evaluation report or MSF 1602/1603.

4.13 Categories of audit findings

4.13.1 Audit findings fall into three categories, details of which are outlined below and in "Definitions".

4.13.2 Observation

- An observation means a statement of fact made during a safety management audit and substantiated by objective evidence. The Company/ship is not liable to provide evidence of the corrective action taken for an observation.

4.13.3 Non-conformity

- A non-conformity means an observed situation where objective evidence indicates the non-fulfilment of a specified requirement of the ISM Code. A non-conformity should normally be closed out within three months from the date of the audit.

4.13.4 Major non-conformity

- A major non-conformity means an identifiable deviation which poses a serious threat to the safety of personnel, the ship or to the environment that requires immediate corrective action or the lack of effective and systematic implementation of a requirement of the ISM Code.

- A major non-conformity on ship audits requires downgrading to a non- conformity to allow the vessel to sail (Ref. MEPC/Circ. 1059 of 16-12-2002).

- An additional audit (timed to verify the effectiveness of the corrective action) is required within 3 months to close out a downgraded major non-conformity.

4.14 Non-conformity note

4.14.1 Non-conformities should be recorded on the form MSF 1902 (‘‘Non-Conformity Note’’). If the form is completed in Pelorus, select Company or Vessel audit from relevant dropdown. However, if the form is completed manually (on the carbonated pads), then it is the combined form. Auditors should refer to the guidelines for completing the form which can be found on the reverse of the NCN.

4.14.2 All NCN’s are allocated a unique NCN number, the number should follow the form: Standard/Name of ship/Year/Serial no. For example: SMC/Testship/2023/01.

4.15 Human element

4.15.1 The achievement of the ISM Code’s goals is heavily dependent on the human element i.e. the people who operate the system. The knowledge and experience of the officers and crew, their familiarity with the Company’s SMS, their training and records thereof should be verified by observation and interview. Where practicable, the auditor(s) should witness as many on board procedures as practicable and these may include, but are not limited to:

- Pre arrival and departure checks on the Bridge and in the engine control room;
- Securing the vessel for sea.
- Voyage planning.
- Navigational briefing.
- Mooring stations fore and aft.
- Bridge procedures in harbour.
- Engine room operations.
- Preparation of machinery for sea
- Machinery maintenance including system preparation
- Anchor stations.
- Bunkering operations.
- Pilot embarkation/disembarkation.
- Passenger musters and handling.
- Cargo operations/handling.
- Watch handover.
- On-board training.
- New joiner (crew) instructions.
- Emergency drills.
- Safety committee meetings.
- Routine inspections.

- Navigation under pilotage; and
- Watch keeping at sea.

4.15.2 The above on-board procedures when sampled during audit must be reported in section 7 of the ISM report form (MSF1911).

4.16 Audit report

4.16.1 An audit report should be completed to record the audit findings within 15 working days from the date of the audit. The report is confidential between the Company, MCA and any other responsible Administration(s) bearing in mind the requirements of the Freedom of Information Act. When the MCA has been requested to ~~carry out~~ undertake the audit on behalf of another Administration the report should be copied to that Administration. The Company should receive a copy of the report, and a further copy should be held on the relevant SharePoint file. When another Administration requests a copy of the report, as might be the case with a multi-flagged fleet, it should be issued with the agreement of ~~providing~~ the Company ~~agrees~~. The audit report must be reviewed by the Technical Manager (TM) or a G7 Principal or Consultant Surveyor or another auditor who has not been involved in the audit before it is sent to the client.

4.17 Audit report for document of compliance audit

4.17.1 The report should include the following:

- Name of the lead auditor.
- A list of the audit team members.
- A list of personnel interviewed, and positions held within the company.
- An assessment of compliance with each relevant section of the ISM Code.
- Opening and closing meeting details.
- The types of ships managed by the company.
- The operational patterns of the company's ships.
- Audit plan; and
- Areas covered and audit findings.

4.18 Audit report for safety management certificate audit

4.18.1 The report should include the following:

- Name of the lead auditor.
- Names and ranks of auditees.
- Names of audit team members.
- An assessment of compliance with each relevant section of the ISM code.
- Opening & closing meeting details.
- The type of ship and employment patterns.
- Audit plan; and
- Areas covered and audit findings.

4.19 Close out of non-conformities and observations

4.19.1 When a major non-conformity is raised, corrective action must be implemented before a new certificate can be issued or an existing certificate endorsed at annual (DOC) or Intermediate (SMC) verification. A major non-conformity may be downgraded to a non-conformity as soon as appropriate initial corrective action has been taken. Corrective action and an agreed timescale for closure against this non-conformity may then be agreed. A significant number of non-conformities identified against the same section of the ISM Code may be issued as a single major non-conformity. When an auditor identifies a major non-conformity, agreement MUST be sought immediately from MCA HQ Audit and Verification Operations or the duty surveyor if out of hours. Where a major non-conformity is downgraded in a SMC or DOC audit, at least one additional audit should be carried out within 3 months to verify that effective actions ~~are~~ have been taken (Ref: MSC Circ. 1059).

4.19.2 When an auditor identifies a potential non-conformity, agreement must be reached with the Head of ~~the department~~ Audit and Verification Operations or area concerned that the perceived non-conformity exists. ~~Agreement~~ An agreement should be reached ~~prior to~~ before the closing meeting. Suitable corrective actions and appropriate ~~corrective action~~ timescales must also be discussed and agreed with the Company. Auditors are reminded that corrective action times cannot exceed three months. If a Company cannot complete a corrective action within the maximum time of three months, the non-conformity note is to be closed out, and another raised (National Audit Office instructions).

4.19.3 Usually, we do not require formal follow-up and close-out for observations. However, if a company chooses to undertake root cause analysis, take corrective action, and provide the evidence; the observation should be closed out in the usual manner like a non-conformity upon receipt of such evidence. In any case, all observations must be closed out on Pelorus within three months of being raised.

4.20 Corrective action

4.20.1 A representative from the Company or ship should propose corrective action which identifies the root cause of the non-conformity and an action to eliminate the same and to avoid re-occurrence.

4.20.2 The Company is responsible for ensuring that the agreed corrective actions are completed by the agreed dates as failure to do so may affect the validity of certificates. Corrective action and possible follow-up audits should also be completed within the agreed timescale.

4.20.3 Closing out of non-conformities will not ~~normally~~ usually require a revisit by an auditor. Written notification of the completion of corrective action, accompanied where possible by objective evidence, shall be forwarded to the lead auditor through the Designated Person (DP). This should be accompanied by the appropriate copy of the NCN. When the lead auditor is satisfied that the agreed corrective action has been completed the NCN will be closed out, signed, and returned to the DPA. During annual DOC audits the opportunity should be taken to confirm that NCN's raised at the previous audit have been closed out on time. The corrective actions may also

be verified. In the case of SMC audits the foregoing may be achieved during either the next intermediate audit or a general inspection.

4.21 Confidentiality Of Audit

4.21.1 The audit and the subsequent reports are confidential (subject to any disclosures under the law) between the Company and any other Flag State Administration on whose behalf the MCA may have been requested to act. A statement to this effect should be made at both the opening and the closing meetings. However, the auditor should not sign the Company's confidentiality forms or contracts. The confidentiality clause must be included in all audit reports.

5.0 Extract of ISM Code & UK (policy) interpretation

The following is an extract of the ISM Code with UK interpretation below

Part A – implementation

5.1. General

5.1.1. Definitions

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

International Safety Management Code (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 Organisation (1.1.1 of the Code).

Company means the owner of the ship or any other organisation or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the ship-owner and who, on assuming such responsibility, has agreed to take over all duties and responsibility imposed by the Code (1.1.2 of the Code).

Administration means the Government of the State whose flag the ship is entitled to fly (1.1.3 of the Code).

Safety Management System means a structured and documented system enabling company personnel to effectively implement the Company safety and environmental protection policy (1.1.4 of the Code).

Document of Compliance means a document issued to a company which complies with the requirements of the Code (1.1.5 of the Code).

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 SMS (1.1.6 of the Code).

Safety Management Audit means a systematic and independent examination to determine whether the SMS activities and related results comply with planned arrangements, whether these arrangements are implemented effectively and whether they are suitable to achieve the objectives of the ISM Code.

Objective Evidence means quantitative or qualitative information, records or statements of fact pertaining to safety or to the existence and implementation of a SMS element, which is based on observation, measurement or test and which can be verified (1.1.7 of the Code).

Observation means a statement of fact made during a safety management audit and substantiated by objective evidence (1.1.8 of the Code).

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

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

Designated Person is defined in Section 4 of the Code.

Ro-Ro passenger ferry means a seagoing passenger vessel with facilities to enable road or rail vehicles to roll on and roll off the vessel and which carries more than twelve passengers.

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

Convention means the International Convention for the Safety of Life at Sea, 1974, as amended (1.1.12 of the Code).

5.1.2. Objectives

5.1.2.1. 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.

5.1.2.2. 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.
.3 Continuously improve safety-management skills of personnel ashore and aboard ships, including preparing for emergencies related both to safety and environmental protection.

5.1.2.3. The safety management system should ensure:

.4 Compliance with mandatory rules and regulations; and
.5 That applicable codes, guidelines and standards recommended by the organization, administrations, classification societies and maritime industry organizations are taken into account.

UK Interpretation - The Company SMS should provide for methods of identification of risks (including risks related to cyber security) and establishment of safeguards against the same. This shall be verified during audits of the Company for issuance of the DOC, subject to the Company providing sufficient evidence of following the risk assessment procedures. During the SMS audits on board, a few risk assessments need to be randomly sampled and verified for effectiveness. Inadequacies in the general standard of risk assessment will require closer examination of onboard risk assessments and the related procedure. While

selecting the sample, auditors should be guided by incidents/ accidents on board the vessel and other vessels in the fleet or by operations which are taking place while on board. Please note that there is no requirement to comply with codes, guidelines, standards, etc. (1.2.3.2), however the SMS should take these into account and alternative measures should be in place if the Company has decided not to comply.

5.1.3. Application

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

UK Interpretation - This means that the ISM Code may be applied to any ships irrespective of whether they are required to comply with the same. This is what allows Companies/ships to voluntarily comply with the Code. ~~Voluntary ISM certificates should ideally have the SOLAS reference removed.~~ Refer to section 3.8 for certification reference requirements.

5.1.4. Functional requirements for a safety management system (SMS)

5.1.4.1. Every Company should develop, implement, and maintain a SMS 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 provisions.
.5 Procedures to prepare for and respond to emergency situations; and
.6 Procedures for internal audits and management reviews.

UK Interpretation - The objectives lay down clear guidelines for the development of a SMS that complies with the ISM Code. The Company's policy statement is fundamental to the system and should be examined during the document review. Some Companies have a single policy statement while others have several statements which together comprise the Company's safety and environmental protection policy. The statement(s) should (i) describe how the objectives of the Code will be met and (ii) serve to demonstrate the Company's commitment to its SMS and the ISM Code.

5.2. Safety and Environmental Protection Policy

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

UK Interpretation- The policy statement(s) should be clear and concise, with emphasis being placed on the Company's commitment to safety and the environment. It should identify a strategy by which the Company aims to achieve its policy objectives and include methods to encourage improvement in safety

awareness and safety management. The policy should be endorsed (not necessarily signed) by the Senior Management of the Company.

5.2.2. The Company should ensure that the policy is implemented and maintained at all levels of the organisation, both ship based as well as shore based.

UK Interpretation - The strategy for implementation of the policy should be clear so that it can be understood at all levels within the Company. Members of the Company's management team should be interviewed during an assessment. This is an effective means of establishing whether there is commitment to the SMS at the highest levels within the Company. Personnel to be interviewed should include, but not be limited to, the following:

Shore	**Ship**
Managing Director	Master
Operations Manager	Chief Engineer
Technical Managers	Safety Officer
Designated Person	Chief Officer/Mate
Quality Manager	Training Officer
Safety Manager	Engineer / Deck Officers
Personnel/Training Manager	Bosun / CPO
Superintendents	Sample of Deck / Engine / Catering Ratings
Other Office Staff	Cook & Galley Staff

Junior personnel should be interviewed on a random basis concerning their responsibilities within the SMS. They must have the background and experience appropriate to their role, received suitable training, and possess adequate knowledge of the SMS. There should be procedures in place to ensure that adequate training is provided as required.

5.3. Company Responsibilities and Authority

5.3.1. If the entity that 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.

UK Interpretation - ~~The Company must ensure that the owner fulfils the requirement of this section of the Code. These details should be reported to the MCA. The identification of the ISM manager on the Continuous Synopsis Record issued by the MCA should be considered as evidence of compliance with this requirement.~~

Where the entity responsible for the operation of the ship is other than the owner, the owner must fulfil the requirements of section 3.1 of the ISM Code by reporting the full name and details of that entity to the MCA.

The ISM Company shall ensure that this notification has been made. Where applicable, MSF 1924 - ISM Company Declaration is available for this purpose and shall be retained by the ISM Company as objective evidence for DOC audits. This can be verified onboard through the CSR, where available.

5.3.2. 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.

UK Interpretation - Responsibilities and authorities should be documented to enable personnel involved in the SMS to understand what is expected of them and ensure that the safety and environmental functions have been allocated. The Company's documented management system should outline descriptions of the responsibilities and authorities together with the reporting lines of personnel within the management structure. Schematics or flowcharts to document lines of authority and inter-relations between roles are acceptable.

5.3.3. 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.

UK Interpretation - It must be established whether the Company is committed to providing the support necessary for the Designated Person Ashore (DPA) to fulfil their duties. This may include reviewing correspondence between the DPA and the management board, the budget for safety training and the attitude towards safety issues at management level. Commitment must start at the top and be prevalent throughout the Company.

5.4. Designated Person(s)

5.4.1. 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 DP or persons should include monitoring the safety and pollution prevention aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied, as required.

UK Interpretation - The task of implementing and maintaining the SMS is a management responsibility, however, the DPA holds a key role in the monitoring process. DPAs should be suitably qualified (refer to MSC-MEPC.7/Circ.6), experienced in ship operations or management systems and be fully conversant with the Company's safety and environmental protection policies and SMS. It is essential that they have the independence and authority to report to the highest level of management. Their responsibilities may include the organisation of the Company's internal safety audits.

In order for any system of management to be adequately maintained it is essential that it is monitored at regular intervals. This will ensure that:

- Implementation is verified.
- Deficiencies are reported.
  Those responsible for corrective action are identified and that appropriate action is taken.

5.5. Master's Responsibility and Authority

5.5.1. 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.
.2 Motivating the crew in the observation of that policy.
.3 Issuing appropriate orders and instructions in a clear and simple manner.
.4 Verifying that specified requirements are observed; and
.5 Periodically reviewing the SMS and reporting its deficiencies to the shore-based management.

UK Interpretation - The responsibility for overseeing and implementing all relevant aspects of the Company's SMS on the vessel rests with the master. Clear guidance should be provided to masters concerning their responsibility on matters affecting the safety of the ship, its passengers and/or cargo and the environment.

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

UK Interpretation - Masters should always expect support and encouragement from the Company. There must be a clear statement in the documented management system that the master has overriding authority to deviate from this in time of crisis and seek assistance from the Company if required. Both statements must be clear and unequivocal with the appropriate emphasis placed on the master's overriding authority.

5.6. Resources and Personnel

5.6.1. The Company should ensure that the master is:

.1 Properly qualified for command.
.2 Fully conversant with the company's SMS; and
.3 Given the necessary support so that the master's duties can be safely performed.

5.6.2. 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.

UK Interpretation - The Company has a clear responsibility to employ properly qualified and medically fit seafarers and be satisfied that they are familiar with the management system in operation. The Company should be able to satisfy the

auditors, by whatever means, that this requirement of the Code is being adequately addressed. This is also a requirement under MLC 2006. Copies of certificates may be held on file in the office, or it may be necessary to have a random sample of certificates e-mailed from a cross section of the fleet. Some companies maintain electronic databases as opposed to a paper filing system. In this case a random sample of certificates should be obtained to verify the accuracy of the database. The manning of the ship should cater for all operations on board while the ship is at sea, anchor or alongside, loading / discharging or carrying out any other activity e.g. tank cleaning, gas freeing, etc.

5.6.3. 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 familiarisation with their duties. Instructions which are essential to be provided prior to sailing should be identified, documented and given.

UK Interpretation - STCW A-I/14 (Responsibilities of Companies) requires the Company to provide written instructions to the master regarding the policies and procedures to be followed, ensuring newly recruited seafarers are familiar with their duties before they are assigned tasks on board. This shipboard familiarisation should include sufficient time to become acquainted with:

- Emergency / evacuation procedures and arrangements to perform assigned duties properly;
- Ship specific duties related to the role the seafarer will fulfil on-board; and
- Ship specific knowledge of any safety and environmental protection procedures with which the seafarer should be acquainted.

A knowledgeable crew member should be designated to ensure that newly recruited seafarers are made aware of essential information in a language they understand. The STCW Code requires mandatory training in crowd management for some personnel serving on passenger ships. Records of familiarisation and instructions received by crew members should be available for examination by the auditor(s).

5.6.4. The Company should ensure that all personnel involved in the Company's SMS have an adequate understanding of relevant rules, regulations, codes and guidelines.

UK Interpretation - While the ISM Code does not introduce new legislative requirements, the SMS must embrace all existing international conventions, national rules and regulations, industry guidelines and codes of practice. It is acceptable for the SMS to encompass such documents as the Code of Safe Working Practices for Merchant Seamen, the Bridge Procedures Guide, the Tanker Safety Guide, etc.

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

***UK* Interpretation** - The means of identifying the training needs of individuals, both ashore and seagoing, is for the Company to address. This may be achieved by staff appraisal, the end of contract report for seagoing staff, results of internal audits, drills, analysis of accidents, etc. Training requirements could be met by refresher training courses and on the job training.

5.6.6. The Company should establish procedures by which the ship's personnel receive relevant information on the SMS in a working language or languages understood by them.

UK Interpretation - The SMS, in whatever form, must be available to all personnel, both ashore and seagoing. It is the Company's responsibility to ensure that the manuals are in a language(s) understood by all crew members. Many Companies employ the services of manning agencies, often in several countries world-wide. The Company's procedures should detail the process by which crew members are selected, assigned to its ships and familiarised with their responsibilities prior to taking up a position on board.

5.6.7. The Company should ensure that the ship's personnel are able to communicate effectively in the execution of their duties related to the SMS.

UK Interpretation - The ability of crew members to communicate effectively is essential to the safety of the ship. This should be assessed at the recruitment stage and manning agencies should be vigilant in this exercise. The Company should ensure that there are procedures in place to monitor the manning agencies which they use.

5.7. Shipboard Operations

5.7.1. 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 involved should be defined and assigned to qualified personnel.

UK Interpretation - The Company should establish the key shipboard operations and ensure that procedures and instructions are available for carrying out these operations. While shipboard operations will vary depending on ship type, it is suggested that plans and instructions for the following operations should be documented:

- General shipboard operations.
- Port operations.
- Preparation for sea.
- Conduct of the voyage.
- Preparation for arrival in port; and
- Emergency response organisation.

The auditor(s) should verify that the operations established by the Company are relevant and comprehensive for the ship type(s) that the Company operates.

5.8. Emergency Preparedness

5.8.1. The Company should establish procedures to identify describe and respond to potential emergency shipboard situations.

UK Interpretation - The procedures should integrate the response to potential emergencies by shore-side and shipboard operations. The Maritime Safety Committee of the IMO produced ‘‘Guidelines for an Integrated System of Contingency Planning for Shipboard Emergencies’’ as MSC/Circ. 760. This circular is not intended to impose a new system or supersede existing systems which are tried and tested, such as SOPEP, however the Guidelines may be of assistance to Companies in developing an integrated emergency response system.

Contingency plans may include but are not limited to:

- The role and responsibilities of shore and ship personnel during an emergency.
- A list of names and contact numbers of all relevant parties.
- Procedures to be followed in response to varying emergency scenarios.
- Procedures for communication between ship and shore.
- A database of plans, particulars of vessels, emergency response capabilities, damage stability information and pollution prevention equipment.
- Checklists for a range of emergencies (the use of checklists is strongly encouraged);
- Procedures for notifying next of kin.
- Guidelines for liaising with the press and media; and procedures for requesting emergency services from third parties.

Latest guidelines covered by:

Resolution A.1072(28) Adopted on 4 December 2013 Revised Guidelines for a Structure of an Integrated System of Contingency Planning for Shipboard Emergencies.

Emergency scenarios for which contingency plans might be developed, include, but are not limited to:

- Structural failure.
- Main engine failure.
- Failure of steering gear.
- Failure of electrical power.
- Collision.
- Grounding.
- Shift of cargo.
- Pollution (spillage of oil or other cargo).
- Fire.
- Flooding.
- Abandon ship.
- Man overboard.
- Entry into enclosed spaces.

- Terrorism or piracy.
- Helicopter operations for medical evacuation.
- Heavy weather damage; and
- Treatment of serious injury.

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

UK Interpretation - The drill programme should exercise the emergency plans listed in 8.1 above and where appropriate, mobilise the shore-side emergency contingency plans.

5.8.3 The SMS should provide for measures ensuring that the Company's organization can respond at any time to hazards, accidents and emergency situations involving it ships.

UK Interpretation - Drills should be carried out regularly in order to test the Company's emergency response organisation and the competence of those who will be called upon in a real emergency. The ability of the personnel ashore to respond to emergencies should also be tested periodically. Records of all drills and exercises should be retained and made available for examination. In the event of the Company having to respond to a real emergency this may be considered in lieu of an exercise drill, providing that records have been retained and analysed.

5.9. Reports and Analysis of Non-conformities, Accidents and Hazardous Occurrences

5.9.1 The SMS 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.

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

***UK* Interpretation** - The SMS should contain procedures that require reports to be prepared and forwarded to the Company on all accidents, hazardous occurrences and non-conformities. They should be monitored by the Designated Person Ashore (DPA) and the appropriate corrective action agreed in order to avoid a recurrence of the incident or non-conformity.

Any deviation from the SMS procedures and instructions, that represents a non-conformity, should be recorded, raised on a non-conformity note and forwarded to the DPA. The system should be designed to allow continual updating, amendment and improvement due to the reporting procedures.

The reports should be recorded, investigated, analysed and acted upon as necessary. There should be procedures for reporting feedback to the ship and for circulation around all appropriate areas. Motivation is a significant factor in the success of the management system and feedback is a powerful motivator. Feedback should be recorded as evaluation and analysis may lead to:

- Identification and implementation of corrective action.
- Benefits to the whole company.
- Amendments to existing procedures; and
- Development of new procedures.

The Accident Reporting and Investigation Regulations (S.I. 2005 No. 881) define accidents, serious injuries and dangerous occurrences along with statutory reporting requirements.

5.10. Maintenance of the Ship and Equipment

5.10.1. 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.

5.10.2. In meeting these requirements, the Company should ensure that:

.1 Inspections are held at appropriate intervals.
.2 Any non-conformity is reported, with its possible cause, if known.
.3 Appropriate corrective action is taken; and
.4 Records of these activities are maintained.

***UK* Interpretation** - Procedures should be developed to ensure that maintenance, surveys, repairs and dry-docking are undertaken in a planned and structured manner with safety as a priority. All personnel responsible for maintenance should be suitably qualified and familiar with national and international legislation as well as classification society requirements. The management team ashore shall provide technical support and advice to the seagoing staff.

Maintenance procedures could include:

- Hull and superstructure.
- Lifesaving, firefighting and anti-pollution equipment.
- Navigational equipment.
- Steering gear.
- Anchors and mooring equipment.
- Main engine and auxiliary machinery including pressurised systems.
- Cargo loading and discharge equipment.
- Tank venting and inerting systems.
- Fire detecting systems.
- Bilge and ballast pumping systems.
- Waste disposal and sewage systems.
- Communications equipment.
- Emergency lighting; and
- Gangways and means of access.

Maintenance procedures must also include work instructions ensuring that machinery or systems undergoing maintenance have been rendered safe prior to

starting work i.e., that systems under pressure such as engine cooling water, oil fuel and steam systems have been securely isolated and de-pressurised.

The Company should arrange for inspections of its vessels to be carried out regularly. These inspections should be executed in compliance with the appropriate procedures by competent and qualified personnel. Records of maintenance, inspections, certificates and reports may be maintained both on board ship and ashore if considered appropriate by the Company.

There should be procedures for reporting non-conformities and deficiencies that should include a time scale for completion of corrective action. It is the Company's responsibility to ensure that reports are investigated and feedback provided to the reporting officer. The Company should actively provide support to enable the SMS to function effectively.

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

UK Interpretation - This equipment is commonly referred to as 'critical equipment'. It is the Company's responsibility to identify critical systems and equipment. Once the critical systems have been identified, procedures should be developed to ensure reliability of these systems or the provision of alternative arrangements in the event of sudden failure. The procedures implemented should include the regular testing of stand-by systems to ensure that one failure does not result in the total loss of that critical function. Routine maintenance should include the regular and systematic testing of all critical and stand-by systems.

5.10.4. 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.

UK Interpretation - Most companies have a preventive maintenance process in place which can range from a card-based system to sophisticated software-based systems.

The auditor(s) should examine the measures which have been developed to promote reliability including records, frequency of inspection/testing and maintenance procedures. In accordance with Section 10.3, these items should be incorporated into the vessels planned maintenance system (PMS).

5.11. Documentation

5.11.1. The Company should establish and maintain procedures to control all documents and data which are relevant to the SMS.

5.11.2. The Company should ensure that:

.1 Valid documents are available at all relevant locations.
.2 Changes to documents are reviewed and approved by authorized personnel; and
.3 Obsolete documents are promptly removed.

***UK* Interpretation** - Procedures should be in place for the control of all documentation, which should be approved prior to issue and assessed for its user friendliness. This is an essential element of any SMS. Personnel at all levels within the Company should be familiar with the procedures and with the latest version of the documentation. Obsolete documentation should be removed from all locations, otherwise, there is the risk that superseded procedures may remain in use.

Companies should be encouraged to limit their documentation to satisfy safety and environmental protection requirements. The Keep it Short and Simple (KISS) principle should be promoted in the development of procedures and instructions. The documentation developed by the Company should not be overly long as excessive documentation may be counter-productive to the effective functioning of a SMS and prove cumbersome for the personnel implementing the system. This however should not be of concern if the personnel are able to demonstrate their familiarity with the system and are able to locate documents without much delay.

5.11.3. The documents used to describe and implement the SMS 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.

UK Interpretation - The Company's SMS should encompass all elements of the ISM Code. The use of a matrix to identify relevant sections is a simple and effective method. The Company may consider appointing a person ashore with responsibility for control, amendment, approval and distribution of SMS documentation, which should be monitored by the DPA. On board ship, the master will ordinarily have control of the documentation.

5.12. Company Verification, Review and Evaluation

5.12.1. The Company should carry out internal safety audits on board and ashore at intervals not exceeding 12 months to verify whether safety and pollution-prevention activities comply with the SMS. In exceptional circumstances, this interval may be exceeded by not more than 3 months.

UK Interpretation - Internal audits should be conducted in order to verify that the SMS is functioning effectively. All sections of the SMS should be audited on a regular basis. The Company must complete internal audit procedures prior to requesting an external audit. Resolution MSC.273(85) clarifies that the internal audit should not normally be exceeded and the company should be in a position to explain the "exceptional circumstances" under which the audit could not be carried out. Furthermore, for UK flagged vessels we do not intend to ask a Company to seek approval for an extension in "exceptional circumstances". However, when we

conduct an audit of a vessel or company, if we see that the extension clause has been used inappropriately, then the MCA auditor should consider issuing an NCN.

5.12.2. 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.

UK Interpretation - The Company should evaluate those entities undertaking ISM-related tasks e.g. recruitment agency, maintenance contractor, etc. If ISM related tasks are delegated to another entity, there should be evidence to demonstrate that their activities are periodically verified.

5.12.3. The Company should periodically evaluate the effectiveness of the SMS in accordance with procedures established by the Company.

UK Interpretation - A periodic review of the SMS should be undertaken by the Company's management. This review will form part of the safety management strategy of the Company and will be conducted in accordance with documented procedures. Minutes of the management review meetings should be recorded and corrective actions allocated to appropriate members of the management team with a view to improvement. The management review should provide an opportunity for a critical review by the Company and ship, of the performance of the SMS over the past year, or other period. Audit reports, inspection reports, non-conformity reports, accident reports, risk assessments, permits to work, near miss reports, deficiency lists, complaints, etc., should be reviewed with the objective of identifying trends, root causes, areas of concern, etc., with a view to continually improve the operation of the SMS both ashore and on board.

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

***UK* Interpretation** - Procedures and instructions for carrying out internal audits should be incorporated into the SMS and the audits should be conducted according to these procedures. Checklists are useful as an aid to the auditor and may be used as appropriate.

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

***UK* Interpretation -** Internal auditors should be independent of the operation being audited. However, this may not always be possible in small companies with limited management resources. Wherever practicable, the auditor should not normally be involved in the working of the area being audited. Personnel carrying out internal audits should have received appropriate training.

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

UK Interpretation - It is important that the results of the audits are brought to the attention of the personnel responsible for the area, for example, a finding in the

engine room should be brought to the attention of the Chief Engineer. Copies of vessel audits should be retained on board.

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

***UK* Interpretation -** To improve the SMS, it is important that the results of the Company's internal audits and reviews are promulgated to all persons having responsibility for the SMS. Findings, conclusions and recommendations should be recorded. The persons with responsibility for that area should take timely corrective action.

Part B – Certification and Verification

5.13. Certification and periodical verification

5.13.1. The ship should be operated by a Company which has been issued with a Document of Compliance or with an interim Document of Compliance in accordance with paragraph 14.1, relevant to that ship.

***UK* Interpretation -**This is self-explanatory; cargo ships over 500GT and passenger ships engaged in international trade should not operate if the Company does not hold a DOC or interim DOC valid for the relevant ship type.

5.13.2. The DOC should be issued by the Administration, by an organisation recognised by the Administration or, at the request of the Administration, by another Contracting Government to the Convention to any Company complying with the requirements of this Code for a period specified by the Administration which should not exceed five years. Such a document should be accepted as evidence that the Company is capable of complying with the requirements of this Code.

***UK* Interpretation -**The period of validity of a DOC must not exceed 5 years (except when the renewal audit is carried out in the 3-month window prior to the expiry of the certificate). During PSC inspections etc., the DOC should be accepted as evidence that the Company complies with the Code unless there is objective evidence to the contrary.

5.13.3. The DOC is only valid for the ship types explicitly indicated in the document. Such indication should be based on the types of ships on which the initial verification was based. Other ship types should only be added after verification of the Company's capability to comply with the requirements of this Code applicable to such ship types. In this context, ship types are those referred to in regulation IX/1 of the Convention.

***UK* Interpretation -** The Company must only operate the ship types on the DOC and the initial verification must have included these ship types. If the Company wants to operate a ship type not included on the DOC, an additional interim

verification audit must be conducted. In this case, an interim certificate carrying the new ship type alone will be issued. An audit of procedures and records relevant to the new ship type must be completed before the full-term DOC can be amended.

5.13.4. The validity of a DOC should be subject to annual verification by the Administration or by an organisation recognised by the Administration or, at the request of the Administration, by another Contracting Government within three months before or after the anniversary date.

***UK* Interpretation -**The validity of the DOC is subject to annual verification the window for which is three months either side of the anniversary date. The annual verification window should include an examination of:

- The reports of internal audits of offices and ships.
- Follow up of corrective action and closing out of non-conformities.
- Records of management reviews.
- Reporting of accidents, hazardous occurrences and non-conformities.
- Amendments to procedures, instructions and revisions to documentation.
- Recruiting and training records of staff, ashore and seagoing.
- Reports of inspections of ships.
- Forward planning schedules for the SMC audits of the company ships; and
- Reports on any initial, intermediate or renewal audits conducted to date.

Non-conformities may be issued during the annual verification. The DOC should be endorsed after verification.

Word of caution - when verifying the anniversary date, work BACKWARDS from the expiry date. The issue date has little relevance in this context since the certificate may have been reissued due to a change of Company name or address etc. There is no discretion allowed for an extension to the annual audit window.

5.13.5. The DOC should be withdrawn by the Administration or, at its request, by the Contracting Government which issued the Document when the annual verification required in paragraph 13.4 is not requested or if there is evidence of major non-conformities with this Code.

***UK* Interpretation - I**f the annual verification is not requested or if there is evidence of major non-conformities, the DOC can be withdrawn. This should only be done in consultation with MCA HQ.

5.13.6. All associated SMCs and/or interim SMCs should also be withdrawn if the DOC is withdrawn.

***UK* Interpretation -I**f the DOC is withdrawn, all SMCs need to be withdrawn. These can only be reinstated following audits both ashore and on each ship.

5.13.7. A copy of the DOC should be placed on board in order that the master of the ship, if so requested, may produce it for verification by the Administration or by an organisation recognised by the Administration or for the purposes of the control

referred to in regulation IX/6.2 of the Convention. The copy of the Document is not required to be authenticated or certified.

***UK* Interpretation -** A copy of the DOC must be placed on board and produced on request, although it need not be authenticated or certified.

5.13.8. The SMC should be issued to a ship for a period which should not exceed five years by the Administration or an organisation recognised by the Administration or, at the request of the Administration, by another Contracting Government. The SMC should be issued after verifying that the Company and its shipboard management operate in accordance with the approved SMS. Such a Certificate should be accepted as evidence that the ship is complying with the requirements of this Code.

***UK* Interpretation -** A SMC is valid for 5 years from date of completion of the initial audit and should only be issued after confirmation that the full-term DOC has been issued, implying that it may be for a shorter period. A SMC should be accepted as evidence that the ship complies with the Code unless there is objective evidence to the contrary.

5.13.9. The validity of the SMC should be subject to at least one intermediate verification by the Administration or an organisation recognised by the Administration or, at the request of the Administration, by another Contracting Government. If only one intermediate verification is to be carried out and the period of validity of the SMC is five years, it should take place between the second and third anniversary dates of the SMC.

***UK* Interpretation -** At least one intermediate audit is required (which implies that the flag can insist on more than one), and the SMC is valid for 5 years. If only one Intermediate Audit is required then it must be undertaken between the 2nd and 3rd anniversaries of the EXPIRY of the SMC. The MCA process is to have one intermediate audit between the 2nd and 3rd anniversary dates. However, if there are concerns about a ship or a Company, MCA has the discretion to undertake additional audits.

5.13.10. In addition to the requirements of paragraph 13.5.1, the Safety Management Certificate should be withdrawn by the Administration or, at the request of the Administration, by the Contracting Government which has issued it when the intermediate verification required in paragraph 13.8 is not requested or if there is evidence of major non-conformity with this Code.

UK Interpretation - The SMC can be withdrawn if the audit is not requested or if there is evidence of major non-conformities.

Word of caution — when verifying the anniversary date, work BACKWARDS from the expiry date. The issue date has little relevance in this context since the certificate may have been reissued due to a change of Company name or address etc. There can be no extension to the intermediate audit window.

5.13.11. Notwithstanding the requirements of paragraphs 13.2 and 13.7, when the renewal verification is completed within three months before the expiry date of the existing DOC or SMC the new DOC or the new SMC should be valid from the date of completion of the renewal verification for a period not exceeding five years from the date of the expiry of the existing DOC or SMC.

***UK* Interpretation -** Where the renewal audit is conducted within the three-month window, the new DOC or SMC is valid for a period not exceeding five years from the expiry date of the old certificate.

5.13.12. When the renewal verification is completed more than three months before the expiry date of the existing DOC or SMC, the new DOC or the new SMC should be valid from the date of the completion of the renewal verification for a period not exceeding five years from the date of completion of the renewal verification.

UK Interpretation - Where the renewal audit is conducted prior to the beginning of the three-month window then the new DOC or SMC will be valid from the date of completion of the audit.

5.14. Interim certification

5.14.1. An interim Document of Compliance may be issued to facilitate initial implementation of this Code when:

.1 A Company is newly established; or
.2 New ship types are to be added to an existing DOC.

5.14.2. Following verification that the Company has a SMS that meets the objectives of paragraph 1.2.3 of this Code, provided the Company demonstrates plans to implement the SMS meeting the full requirements of this Code within the period of validity of the interim DOC. Such an interim DOC should be issued for a period not exceeding 12 months by the Administration or by an organisation recognised by the Administration or, at the request of the Administration, by another Contracting Government. A copy of the interim DOC should be placed on board in order that the master of the ship, if so requested, may produce it for verification by the Administration or by an organisation recognised by the Administration or for the purposes of the control referred to in regulation IX/6.2 of the Convention. The copy of the Document is not required to be authenticated or certified

***UK* Interpretation -** Interim DOC's may be issued to a new Company or when new ship types are to be added to an existing DOC. After a document review and an interim audit an interim DOC may be issued provided that:

.1 The Company can demonstrate plans to implement the system within the validity of the interim DOC; and
.2 A copy of the interim DOC is placed on board (it does not have to be authenticated or certified).

5.14.3. An interim SMC may be issued:

.1 To new ships on delivery.
.2 When a company takes on responsibility for the operation of a ship which is new to the company; or
.3 When a ship changes flag.

5.14.4. Such an interim SMC should be issued for a period not exceeding 6 months by the Administration or an organisation recognised by the Administration or, at the request of the Administration, by another Contracting Government.

***UK* Interpretation -** Self-explanatory

5.14.5. An Administration or, at the request of the Administration, another Contracting Government may, in special cases, extend the validity of an interim SMC for a further period which should not exceed six months from the date of the expiry.

***UK* Interpretation -** Interim SMCs are valid for 6 months, but it is possible to extend for a further 6 months under exceptional circumstances e.g. ship is in an area to where travel is prohibited, or external circumstances prevent an inspection from taking place. This is to be done only in consultation with MCA HQ.

5.14.6. An interim SMC may be issued following verification that:

.1 The DOC, or the interim DOC, is relevant to the ship concerned.
.2 The SMS 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 DOC or demonstrated for issuance of the interim DOC.
.3 The Company has planned the audit of the ship within three months
.4 The master and officers are familiar with the SMS 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 SMS has been given in a working language or languages understood by the ship's personnel.

UK Interpretation – Self-explanatory

5.15. Verification

5.15.1. All verifications required by the provisions of this Code should be carried out in accordance with procedures acceptable to the Administration, taking into account the guidelines developed by the Organisation (IMO Resolution A.1188 (33)).

5.16. Forms of certificates

5.16.1 The DOC, the SMC, the interim DOC and the interim SMC should be drawn up in a form corresponding to the models given in the appendix to this Code. If the language used is neither English nor French, the text should include a translation into one of these languages.

UK Interpretation - Self explanatory

5.16.2 In addition to the requirements of paragraph 13.3, the ship types indicated on the DOC and the interim DOC may be endorsed to reflect any limitations in the operations of the ships described in the SMS.

***UK* Interpretation –** Self-explanatory

6 Reporting & filing etc

6.1 Reporting & Quality Control Procedures (DOC & SMC)

6.1.1 Prior to the commencement of the audit the surveyor should obtain the appropriate documentation from Pelorus and SharePoint, e.g., DOC (MS) or SMC (CM).

6.1.2 DOC files are prefixed/ suffixed MS 166/004/XXX and SMC files CM XXXXX/48/01.

6.1.3 At the conclusion of the audit the following documents should have been added to SharePoint, under the relevant Vessels folder:

- Any correspondence between MCA and the Company.
- Audit plan.
- Contemporaneous notes (if appropriate).
- Audit report.
- Nonconformity notes (if appropriate).
- Copy of DOC / SMC (initial / renewal audits); and
- Endorsed copy of DOC / SMC (annual / intermediate verifications).

6.2 Pelorus

6.2.1 Before visiting a vessel, Pelorus should be checked to identify if any outstanding deficiencies will need verification.

6.2.2 In addition to completing the audit report (MSF 1911), audits must also be recorded on the Pelorus survey report. When an auditor identifies findings during the audit, these must be documented using the Non-Conformity Notice (NCN) form (MSF 1902), which must also be listed on Pelorus.

6.2.3 When a NCN is issued, a corresponding deficiency is automatically generated. The action code for this deficiency should remain either Action Code 18 or 19, regardless of the timeframe specified for the closure of the NCN.

6.2.4 In the unlikely event~~s~~ ~~where~~ that Pelorus forms are not available, complete forms MSF 1602 and MSF 1603, when applicable and upload to the relevant vessel folder in SharePoint and update Pelorus system at the earliest opportunity once Pelorus is available.

7.0 Port state control

7.1 Examination of Certificates

7.1.1 The DOC and SMC are statutory certificates which will be examined, along with other certificates, by Port State Control inspectors. Each ship should carry the original SMC and a copy of the DOC with the relevant endorsements for the required audits. The copy of the DOC need not be authenticated or certified. Provided technical or operational deficiencies are not identified during an initial inspection carried out in accordance with the Paris MOU procedures and guidelines, there is no need to consider the ISM aspect.

7.1.2 Since the PSCO is not carrying out a safety management audit of the SMS during a PSC inspection, the term “clear grounds” is not applicable in this context.

7.2 Particular issues

7.2.1 Laid up ships

7.2.1.1 Lay-up: A ship is considered to be in lay-up mode when for commercial reasons or otherwise it has ceased trading for any period of time, and the Company has notified the Administration accordingly.

7.2.1.2 Hot lay-up: the machinery and equipment is kept in operation for the sake of fast re-commissioning in 24 hours.

7.2.1.3 Cold lay-up: means the ship is deliberately shut down.

7.2.1.4 Based on the duration, and type of the lay-up, determine the scope and depth of the audit, which may vary from case to case (see table below).

Lay-up mode	Hot			Cold	
	The ship is fully operational in 24 hours			The ship is deliberately shut down	
Lay-up Periods	< 3 months	3 < 12 months	> 12 months	< 3 months	> 3 months
SMC	As in operation	To be revalidated	Invalid	To be revalidated	Invalid
Audit	Not required	Additional (scope initial)	Interim	Additional (scope initial)	Interim

7.2.1.5 On satisfactory completion of the shipboard audit, the existing SMC should be endorsed or renewed in accordance with the above table.

7.2.1.6 By way of exception, where a Company manages a ship, which only operates seasonally, the Company should establish specific procedures for the layup period and reactivation, based on their commercial activities (FR).

7.3 Submersible craft

It needs to be borne in mind that the operation of a submersible craft is very different from conventional ships. Some of these may have a mother craft associated with its operations. The so-called master of the submersible might be on the mother craft the submersible being operated by the pilot. In such cases compliance with section 5 of the ISM Code needs to be verified. Guidance on the operational aspects is available in SI 1987 no. 311

8.0 Annex A - MCA audit opening & closing meetings

Attendance Record

The following representatives of _____ were in attendance at the opening and closing meetings as indicated below:

Opening Meeting Time: _____ Date: _____

Closing Meeting Time: _____ Date: _____

	Name:	Department	Opening	Closing
1.			☐	☐
2.			☐	☐
3.			☐	☐
4.			☐	☐
5.			☐	☐
6.			☐	☐
7.			☐	☐
8.			☐	☐
9.			☐	☐
10.			☐	☐
11.			☐	☐
12.			☐	☐
13.			☐	☐
14.			☐	☐
15.			☐	☐
16.			☐	☐
17.			☐	☐
18.			☐	☐

Document Amendment History

Version Number	Status / Change	Date	Author Reviewer	Content Approver	Next Review Date/Expiry Date
07/23	• 4.1.2 clarification on audit training requirements	01/07/2023	James Naidoo – Policy Lead Safety Management	Paras Thukral – Head of Safety Management	
10.24	• General updates to regulations and resolution references • 4.11.1 Amendment to text to include MSF references for audit plans • 4.12.1 & 4.12.3 Added reference to attendance record in Annex A • 4.12.4 & 6.2.3 Updated text to include Pelorus evaluation report • 4.19 Additional requirement for observation closure • Removal of audit plan template from document annex	04/10/24	James Naidoo – Policy lead, Safety Management	Paras Thukral – Head of Safety Management	