ISM Code Certification Guidelines for Regulated Australian Vessels

March 2018
Purpose

These Guidelines:
1. Describe the AMSA ISM Code Certification process
2. Define the functional responsibilities of AMSA staff involved with ISM Code Certification.

Scope

These Guidelines apply to the following functions:
1. Management of AMSA ISM Code Certification process;
2. Planning, coordinating and executing of ISM Audits; and

Definitions

The following definitions relate to terms used specifically in this document.
Where it is not specified in these Guidelines, definitions are as per ISM Code and as specified in the associated documents.

Administration

means the Government of the State whose flag the ship is entitled to fly. In these Guidelines, the Administration is the Australian Maritime Safety Authority, unless otherwise stated.

Manager

means the AMSA Manager Vessel Operations, Operations.

AMSA ISM Code Auditor (Auditor)

an AMSA Marine Surveyor who has been appointed by the Manager as ISM Code Auditor, and who has undergone initial training and ongoing participation with ISM Code related activities.

AMSA ISM Code Lead Auditor (Lead Auditor)

an AMSA ISM Code Auditor in charge of an audit team. Where there is only one auditor in an audit, then this auditor will be the Lead Auditor.

AMSA Principal Advisor Safety Management Systems

is an AMSA Principal Advisor Safety Management Systems who has the responsibilities for the administration of ISM certification.
Audit

is part of the ISM Code certification process by the Administration to verify and determine if a safety management system complies with the objectives and requirements of the ISM Code.

Company

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

Document of Compliance (DOC)

is a form of certificate issued to a Company which operates a functional safety management system complying and satisfying with the requirements of the ISM Code certification process established by the Administration.

Safety Management Certificate (SMC)

is a form of certificate issued to a Ship which is operated by a Company holding a valid DOC certificate issued by the Administration and that the shipboard safety management system complies and satisfies with the requirements of the ISM Code certification process established by the Administration.

International Safety Management Code (ISM Code)

means the International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management Code), set out in IMO Resolution A.741(18) and Chapter IX, SOLAS, 1974, as amended.

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.

Observation

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

Non-conformity or Minor Non-conformity (NC)

means an observed situation where objective evidence indicates a non fulfilment of a specified requirement. Unless specified otherwise, a non-conformity is not a major non-conformity and may be referred to as a minor non-conformity.
**Major Non-conformity**

means an identifiable deviation that poses a serious threat to personnel or the ship or serious risk to the environment and requires immediate corrective action or a lack of effective and systematic implementation of a requirement of the ISM Code.

**Corrective Action Plan (CAP)**

means the response by the Company to address a non-conformity that should include a root cause analysis of the non-conformity, proposed corrective action(s), including measures intended to prevent recurrence, and targeted completion date(s) for review and acceptance by the Lead Auditor.

**Associated documents**

- International Safety Management (ISM) Code
- SOLAS Chapter IX – Management for the Safe Operation of Ships
- IMO Resolution A.107(28) – Guidelines on implementation of ISM Code by Administration
- IMO MSC-MEPC.7/Circ.8 - Revised Guidelines for the Operational Implementation of the ISM Code by Companies
- IMO MSC-MEPC.7/Circ.6 – Guidance on the Qualifications, Training and Experience necessary for undertaking the role of the Designated Person under the provisions of the ISM Code
Contents

Purpose .............................................................................................................................................i
Scope .............................................................................................................................................i
Definitions ......................................................................................................................................i
Associated documents ................................................................. iii

1. Application of the ISM Code .......................................................... 3
2. Responsibilities of AMSA ISM Code Personnel ................................. 3
3. AMSA ISM Code Certification Process ........................................... 4

   1. General ...................................................................................................................... 4
   2. ISM Code Certification – Document of Compliance (DOC) and Safety Management Certificate (SMC) ............................................................................. 5
   3. Interim DOC and SMC ...................................................................................... 6
   4. Full Term DOC and SMC (INITIAL and RENEWAL) ........................................... 6
   5. Annual Endorsement of DOC and Intermediate Endorsement of SMC ............ 7
   6. Company with Branch Offices ........................................................................... 8
   7. Notes on FPSO and FSO .................................................................................. 8
   8. Audit Reports, Non-conformance Notes and Corrective Actions ....................... 9
   9. Withdrawal and Variation of ISM Code Certificates ......................................... 10
  10. Conduct of Joint ISM Code Audits between AMSA and AMSA Approved Organisations ........................................................................................................... 10
  11. Recognition of Overseas Documents of Compliance issued to Overseas Companies operating Australian Flag Ships ................................................................. 10
  12. Australian Flag Ships Detained Overseas ....................................................... 11
  13. Conduct of Shipboard Verification Audits of Australian Flagged Ships Overseas.... 12
  15. Fees and Costs ............................................................................................... 12
1. **Application of the ISM Code**

   1. In accordance with SOLAS Chapter IX, MO 58 applies to all Convention ships regardless of the date of construction, as follows:
      a. all passenger ships, including passenger high-speed crafts;
      b. all cargo ships, including cargo high-speed crafts, of 500 GRT or more;
      c. mobile offshore drilling units propelled by mechanical means of 500 GRT or more,
      d. and to any company owning, operating or managing such a ship or unit.

   2. The ISM Code does not apply to government-operated ships or ships used for non-commercial purposes.

2. **Responsibilities of AMSA ISM Code Personnel**

   1. The Manager is responsible for the following:
      a. oversees the management of AMSA ISM Code Certification process;
      b. approves AMSA ISM Code Certificate process, including these Guidelines;
      c. approves requests for initial ISM Code certification;
      d. issues DOC and SMC;
      e. appoints AMSA ISM Code Auditor;
      f. recommends withdrawal or variation of DOC and SMC;
      g. resolves disputes related to certification decision and fee charges; and
      h. approves allocation of funding for maintenance of AMSA ISM Code certification process, including auditor training.

   2. The Principal Advisor Safety Management Systems is responsible for the following:
      a. the management of AMSA ISM Code Certification process;
      b. reviews and implements AMSA ISM Code Certificate process;
      c. reviews and recommends changes to these Guidelines and related documents;
      d. reviews and recommends requests for initial ISM Code certification;
      e. reviews the issue of full term DOC and SMC and presents to the Manager for approval and signature;
f. reviews requests for audit from Companies and liaise with AMSA Regional Managers to assign attending auditors;
g. oversees ISM Code records are maintained as per AMSA standards;
h. manages training and assessment of auditors;
i. reviews audit reports before distribution to Companies;
j. reviews disputes and makes appropriate recommendations to the Manager;
k. liaises with the marine industry in complying with AMSA ISM code requirements; and
l. assumes the job responsibility as Auditor when required.

3. The ISM Code Auditor is responsible for the following:
   a. the planning and conduct of audits as per AMSA ISM Code certification process;
   b. reviews Company SMS manuals for DOC or SMC audit;
   c. submits completed audit report to Principal Advisor Safety Management Systems for review and distribution;
   d. consolidates fees charges and expenses for Regional Manager to review;
   e. review and accept corrective action plans submitted by Company;
   f. verifies close-out of NCN;
   g. recommends issue or withdrawal of DOC or SMC;
   h. endorses DOC or SMC for applicable annual, intermediate and additional verification after completion of an audit in accordance with AMSA standards;
   i. liaises with local marine industry to comply with AMSA ISM code requirements;
   j. maintains own audit records;
   k. participates in auditor training and qualification requirements; and
   l. acts as Lead Auditor when required.

3. AMSA ISM Code Certification Process
   1. General
      a. A Company should apply for issue of a Document of Compliance in writing to the Principal Advisor Safety Management Systems. The Principal Advisor Safety Management Systems will review the application and liaise with the Company to discuss Company particulars, the scope of certification, SMS review requirements, audit timelines and fees.
b. Once the application had been approved by the Manager, the Company should submit its SMS manual(s) to the Principal Advisor Safety Management Systems for review and arrange for an audit.

c. Subsequent to the issue of DOC certificate by AMSA, the Company should apply for Safety Management Certificate(s) for its ship(s), as mandated by SOLAS Chapter IX/Reg.2 and MO 58/Div.4, by submitting an application in writing to the Principal Advisor Safety Management Systems.

d. For either the Company or Shipboard verification audit, the Principal Advisor Safety Management Systems will liaise with the appropriate Ship Safety Regional Manager and ISM Auditors to nominate a Lead Auditor to take charge of the audit. The Lead Auditor will liaise with the Company to finalise audit location, dates, schedule and settlement of costs in accordance with AMSA standards.

e. Audits will be conducted, reported and recorded / filed in accordance with AMSA standards.

2. ISM Code Certification – Document of Compliance (DOC) and Safety Management Certificate (SMC)

a. A DOC may be issued to a Company, and an SMC may be issued to a Ship operated by a Company possessing a valid DOC, when AMSA has verified the effectiveness of the Company SMS in meeting the specified objectives defined in paragraph 1.2.3 of the ISM Code.

b. A DOC will be issued only for the IMO ship types on which the audit was based. The list of applicable ship types will be indicated on the DOC. The scope of the DOC may be amended (through issue of a new DOC) to cover additional ship types after an audit of the Company’s capability to comply with the requirements of ISM Code with respect to the additional ship type.

c. A full term SMC will not be issued to a ship if:

   i. the Company DOC is only interim, or if the Company DOC is not valid, or
   ii. the Ship Certificate of Class is suspended or cancelled by the respective Class Society, such as overdue Class periodical survey, overdue condition of class, etc., or
   iii. a Ship statutory certificate is not valid, such as overdue mandatory survey, etc., or
   iv. any unresolved major non-conformity note issued by AMSA to the Company or the Ship exists.

d. A DOC or SMC will not be issued, endorsed or renewed if an unresolved major non-conformity exists. A major non-conformity note issued to the Company or the ship must be downgraded to minor non-conformity and any identified serious risks or threats to personnel or ship or the environment must be removed or reduced to an acceptable level.
e. Depending on the number and severity of non-conformities, the Lead Auditor may consider an additional verification audit to verify the completion of the corrective and preventive action.

3. Interim DOC and SMC
   a. Interim DOC and SMC will be issued to a Company or Ship in accordance with the ISM Code and MO 58.
   b. An InterimDOC should be valid for 12 months. There is no provision to extend an Interim DOC in ISM Code or MO 58. An Interim SMC should be valid for 6 months and under special circumstances, as approved by the Manager, the Interim SMC may be extended for a further 6 months.
   c. The Lead Auditor will recommend the issue of an Interim DOC or SMC upon satisfactory completion of an interim assessment.
   d. Principal Advisor Safety Management Systems for issue of the Interim DOC or SMC by the Manager. In cases where the Company needs the Interim DOC or SMC immediately after the assessment, the interim DOC or SMC may be issued by the Manager prior to the assessment.

4. Full Term DOC and SMC (INITIAL and RENEWAL)
   a. A full term DOC or SMC will be issued by the Manager, on the recommendation of the Lead Auditor and verification by the Principal Advisor Safety Management Systems of the audit report, following closure of non-conformities identified during the audit.
   b. The period of validity of a full term DOC or SMC will be five (5) years, subject to the annual verification audit carried out within three (3) months before or after the initial verification audit date or, in the case of SMC, subject to the intermediate verification audit carried out between the second and third anniversary after the initial verification audit date. The expiry date of the DOC or SMC will be five (5) years, minus one (1) day, after the initial verification audit date.
   c. A new full term DOC or SMC issued after a renewal audit will have the same expiry date as the existing full term DOC or SMC, plus five (5) years, provided the renewal audit is completed within three (3) months prior to the original expiry date of the certificate. When the renewal audit is completed more than three (3) months prior to the original expiry date of the DOC or SMC, the new full term DOC or SMC will be issued with an expiry date of five (5) years, minus 1 day, after the renewal verification audit date. When the renewal audit is completed after the expiry date of the existing SMC, the new SMC will be valid from the date of completion of the renewal audit to a date not exceeding five (5) years from the date of expiry of the existing SMC.
d. In the event of change of details on a full term DOC such as Company address, registered business name or ship types (additional verification audit may be required in the case of different vessel types being added to the DOC).\(^1\)

e. In the event of change of details of a ship SMC, such as port of registry and major modification affecting the ship type (additional verification audit may be required) or changes to the operating Company DOC, such as Company address or registered business name, the Principal Advisor Safety Management Systems will advise the Manager to issue a new full term SMC with the same expiry date as the certificate it is replacing.\(^2\)

f. It is the responsibility of the Company to advise the Principal Advisor Safety Management Systems of any changes affecting their ISM certification, including change of DPA.

g. It is the responsibility of the Company to make copies of the DOC and distribute to each ship covered by the Company’s SMS.

5. Annual Endorsement of DOC and Intermediate Endorsement of SMC

a. The Lead Auditor will endorse the full term DOC or SMC on completion of an annual or intermediate audit provided that there is no non-conformity found as a result of the audit.

b. A DOC or SMC will not be endorsed if a major non-conformity exists.

c. A DOC or SMC will not be endorsed until all non-conformities found during the audit have been addressed by the Company to the satisfaction of the Lead Auditor. The minimum requirement is that the Company must submit a corrective action plan (CAP) for each issued NCN for review and formal acceptance by the Lead Auditor. Once the CAP has been approved by the Lead Auditor, an AMSA auditor or surveyor will perform the annual or intermediate endorsement on the full term DOC or SMC.

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\(^1\) When an ISM Company changes name or changes address, the company must:
- complete Form 484 and lodge it with the Australian Securities and Investments Commission within 28 days.
- complete Form AMSA210 (Change of name or address) and lodge it with the Australian Registrar of Ships within 14 days after the change occurs;
- complete Form AMSA174 (Amendment to the Continuous Synopsys Record) and lodge it with the Australian Registrar of Ships within 14 days after the change occurs.

Note: The company name and address details must be exactly the same as those recorded by the Australian Securities and Investments Commission.

If the ISM Company is also the Registered Owner of a vessel, then the company must send the existing Certificate of Registration to the Australian Registrar of Ships so it can be updated.

The new Certificate of Registration or Continuous Synopsys Record will show the company’s current “Registered Office Address”. The new Document of Compliance will show the company’s current “Principal Place of Business Address”.

\(^2\) When a vessel changes name, the company must complete Form AMSA200 (Change of name) and lodge it with the Australian Registrar of Ships.
d. If an annual or intermediate verification is not endorsed within the DOC periodical audit window (between +/- 3 months of the initial verification anniversary date) or the SMC periodical audit window (between the 2nd and 3rd anniversary dates of the initial verification date) the full term DOC or SMC becomes invalid.

e. Any Company operating vessels with a history of major non-conformities will be advised by the Manager that those vessels will be required to undertake annual audits to maintain their SMC. Such additional audits will continue until the Manager is satisfied with the safety management performance of that ship.

6. Company with Branch Offices

a. Companies may have branch offices in different regions or ports. The Company should declare their head office and branches in their initial application for ISM Code Certification.

b. Upon satisfactory review of the Company’s SMS and initial office audit of the head office and branches, the Company head office will be issued with a DOC certificate with attachment page listing all the relevant branches.

c. For annual DOC audit of Company with branch offices, the assigned Lead Auditor will liaise with the Company DPA or other representative and AMSA Auditors in other regions to arrange audits of selected branch offices. The Lead Auditor will only audit the Company Head Office after the completion of audits of the selected branch offices.

d. The AMSA Auditors responsible for the branch office audits will copy all findings to the Lead Auditor before auditing the Company Head Office. The Lead Auditor is responsible for endorsing the Company DOC in the Head Office in accordance with AMSA standards.

e. All branch offices should be audited at least once within the 5-year DOC certification cycle.

f. A Company may have a head office performing function such as administration, finance, manning, etc, with each port or regional office performing operations and technical functions. In this case, the other offices will not be considered as branch offices and all offices will be audited annually.

7. Notes on FPSO and FSO

a. It is mandatory for both the operating / management Company and the FPSO/FSO to comply with the ISM Code and be issued with DOC and SMC, respectively.

b. When this FPSO/FSO (also known as ‘the facility’) is connected to the seabed the vessel is under the jurisdiction of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA).
c. The operator/management company will normally declare in the facility safety case and/or SMS that the FPSO/FSO must comply with applicable mandatory marine regulations and Classification Society Rules. Hence, the Company and the FPSO/FSO must maintain their ISM Code certification at all times. Accordingly, MO 58 will apply. If the Company DOC or ‘facility’ SMC is cancelled, withdrawn and varied by AMSA, NOPSEMA will be informed through the Manager and GM, Ship Safety.

8. Audit Reports, Non-conformance Notes and Corrective Actions

a. The AMSA ISM Code Audit Report will be prepared by the Lead Auditor, who is responsible for its accuracy and completeness.

b. The AMSA ISM Code Report will include the following:
   • AMSA 1059 – ISM Code Audit Schedule
   • AMSA 1060 – ISM Code Audit List of Attendees
   • AMSA 1061 – ISM Code Audit Observation Notes, if any
   • AMSA 1062 – ISM Code Audit Non-conformance Notes, if any
   • AMSA 1063 – ISM Code Company Audit Report; or
   • AMSA 1064 – ISM Code Ship Audit Report
   • A copy of the endorsed ISM Code Certificate, as applicable.

c. The signed, original AMSA Form 1061 and 1062 will be handed to the responsible Company representative or Ship’s master at the closing meeting. A copy of the forms will be retained by the Lead Auditor for the audit report package.

d. Observations are statements of facts made during an audit and substantiated by objective evidence. An auditor may include a minor non-fulfilment of the Company SMS, which if uncorrected, may become a ISM Code nonconformity in future. Observations are recorded on AMSA Form 1061.

e. The Lead Auditor will explain the details of any issued non-conformity and AMSA requirements for the handling of corrective action to the responsible Company representative or Ship’s master at the audit closing meeting.

f. The Lead Auditor will also highlight to the responsible Company representative or Ship’s master that failure to comply with AMSA requirements for closure of a non-conformity in a timely manner will affect the issue of and/or validity of the relevant ISM Code certificates.

g. The Lead Auditor may recommend an additional verification audit to verify the accepted corrective action plans proposed by the Company or ship have been implemented and completed by the agreed target completion dates.
9. Withdrawal and Variation of ISM Code Certificates
   a. Section 17 of MO 58 describes the circumstances and manner in which the GM, Ship Safety may vary or revoke a Company DOC and its associated ships’ SMC.

10. Conduct of Joint ISM Code Audits between AMSA and AMSA Approved Organisations
   a. In supporting the industry and to make the certification process more efficient for a Company operating ships flagged with foreign countries other than Australia, AMSA may agree to conduct joint ISM code verification audit with AMSA recognised IACS members and/or the relevant flag Administration.
   b. Before the Company requests a joint audit of the Company or the Ship, the Company must first seek pre-approval from the other certifying authorities (recognised IACS members and/or the relevant flag Administration) of the intended joint audit.
   c. The AMSA Principal Advisor Safety Management Systems will review and propose an AMSA ISM Code Lead Auditor for the joint audit and recommend approval by the Manager.
   d. The Lead Auditor will liaise with the AMSA approved organisation to develop an audit schedule so as to harmonise the audit process and to ensure relevant AMSA requirements are covered in the audit.
   e. The Company should undertake to bear all costs for the joint audit conducted by AMSA and the recognised IACS member.

11. Recognition of Overseas Documents of Compliance issued to Overseas Companies operating Australian Flag Ships
   a. Where an overseas Company operating outside of Australia operates and/or manages Australian flag ships from their overseas office, or through a subsidiary Australian office, then AMSA may recognise the Company DOC for the ship type as issued by:
      i. one of AMSA recognised IACS members on behalf of the relevant overseas Administration; or
      ii. the relevant overseas administration.
   b. The Company should submit its SMS Manual to AMSA Principal Advisor Safety Management Systems for review.
   c. Upon recognition of the Company DOC by AMSA, the Manager will issue a letter of approval confirming the recognition with any applicable requirements or special conditions as follows:
      i. A copy of the approval letter and the recognised DOC should be carried on the Australian flag ships operated and/or managed by the Company.
ii. The Company should inform AMSA in writing as soon as there are changes to its SMS and/or the recognised DOC.

iii. AMSA reserves the right to conduct a DOC verification audit at the Company’s overseas office and/or to participate in the DOC verification audits of the Company’s overseas office and branch office in Australia when carried out by the recognised IACS member or the relevant overseas Administration.

iv. The Company should undertake to bear all costs for the approval of DOC recognition, including any audit of the Company’s overseas and Australian locations.

d. Where the overseas Company is operating within Australia, then it must be certified under AMSA ISM Code requirements.

12. Australian Flag Ships Detained Overseas

a. In case of an Australian flagged ship issued with an AMSA SMC is detained at an overseas port as a result of serious PSC deficiencies or major ISM non-conformities, the Company operating the detained ship should contact the Principal Advisor Safety Management Systems to request assistance. This will normally require an additional shipboard verification audit prior to departure.

b. The Manager may authorize and request one of the below organisations to act on behalf of AMSA:

i. one of AMSA recognised IACS members, or

ii. a relevant overseas maritime Administration.

c. The Principal Advisor Safety Management Systems will liaise with the Manager and the Manager, Ship Inspections to determine the best course of action. The Manager may authorise for an AMSA ISM Code Auditor to attend the detained ship overseas to conduct the additional verification audit.

d. The Company will be notified in writing that all relevant fees, charges and expenses relating to the detention are chargeable to the Company.

e. If the detained ship is in a remote overseas port and a qualified AMSA or appointed ISM Code Auditor is unable to attend, the Manager may request the detaining PSC authority to consider release of the ship with all appropriate hardware deficiencies rectified to the satisfaction of the PSC authority. Should this be agreeable by all parties, the Company will be notified that an AMSA ISM Code or appointed Auditor will attend the affected ship at the next port.

f. The Manager and the Principal Advisor Safety Management Systems may also consider conducting an additional verification audit of the involved Company as a result of the detention.
13. Conduct of Shipboard Verification Audits of Australian Flagged Ships Overseas

a. There are situations that a new Australian flagged ship when newly delivered in an overseas shipyard or an existing ship change of flag to Australia takes place in an overseas port. The Manager may approve these interim shipboard audits to be carried out by one of the AMSA recognised IACS member classification societies or a relevant overseas maritime Administration.

b. When requested by the Company to attend an initial, intermediate or renewal SMC audit at an overseas port, the Principal Advisor Safety Management Systems will arrange, at the discretion of the Manager, for an AMSA ISM Code Auditor to attend. The Manager may approve the shipboard audits to be carried out by one of the AMSA recognised IACS member classification societies or a relevant overseas maritime Administration. The Company will be notified that an additional verification audit may be required to be carried out at the next opportunity when the ship returns to Australia.

c. When a shipboard audit is not carried out by an AMSA ISM Code Auditor, the Company must send amendment details to the AMSA Registrar of Ships requesting issue of an updated Continuous Synopsis Record (CSR) in accordance with Marine Order 18.

d. The Company will be notified in writing that all relevant fees, charges and expenses relating to the audits are chargeable to the Company.

14. Review of Decisions

a. Any complaints or appeals should be directed to the Principal Advisor Safety Management Systems or Manager to resolve the issues between the Lead Auditor and the Company. If it is unresolvable, the Company may initiate an internal review by applying in writing to the GM, Ship Safety as per Section 8 of MO 58.
15. Fees and Costs
   
a. The following AMSA ISM certification activities are billable at AMSA's current fee for service:
   
i. DOC audits conducted on operators of Australian Registered vessels for which ISM certification is mandatory;
   
ii. SMC audits conducted on Australian Registered vessels for which the ISM Certification is mandatory, and
   
iii. All ISM code audits, either SMC or DOC, undertaken on behalf of other Administrations.
   
b. The Lead Auditor will invoice for:
   
i. SMS review
   
ii. audit preparation time, including research;
   
iii. audit execution;
   
iv. report writing and general administration time; and
   
v. all related travel, meal and accommodation expenses.

   **Note: From 1 July 2016 onwards, these expenses will be charged from the nearest port where AMSA has an ISM auditor nominally stationed.**
   
c. In the case where AMSA requires two auditors to conduct the audit, one auditor will be appointed the Lead Auditor and the other will assist him/her.