

## **CHAPTER 3**

### **THE CERTIFICATION PROCESS**

#### **3.1 The Document of Compliance (DOC)**

##### **Headquarters**

Applications for the initial, annual or renewal verification audits of a Company, in respect of the DOC, should be made in writing to ISM/ISO Branch at the Spring Place Headquarters of the MCA. ISM/ISO Branch E-Mail:

[Quality.Assurance@mcga.gov.uk](mailto:Quality.Assurance@mcga.gov.uk)

##### **Marine Offices**

Exceptions to this general rule are those companies whose DOC audit function has been devolved to a Marine Office. In these cases the company will apply direct to the relevant Marine Office. The MO will then contact HQ in order to raise the file.

A Database is being maintained in ISM/ISO Branch at HQ for all audits conducted by MCA. To enable entry into this database, all requests for audits by clients should also be copied to HQ by the Customer Service Manager /Surveyor In-Charge or concerned Auditor/Surveyor.

#### **3.2 The Safety Management Certificate (SMC)**

Applications for initial audit, intermediate and renewal SMC verification should be made to the company's Customer Services Manager at the appropriate Marine Office in. Companies certificated to ISO 9001/14001 would need to apply direct to MCA QA.

Requests for SMC audits should also be copied in to the ISM/ISO branch at HQ for entry into the database.

#### **3.3 Document Review and Planning**

The first stage of a DOC audit 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 Initial DOC audit. Following the receipt of an application requesting an Initial DOC audit and the appropriate fees, the MCA will review the SMS documentation as part of the pre-audit assessment. The document review may take one of two forms and the decision generally rests with the Company:

- a pre-audit visit to the Company's principal place of business to review documents on site; or
- submission of documents and manual(s) to MCA.

The documents used to define and implement the SMS may be described as the Safety Management System (SMS) Manual. It may be more than one Manual and take the form that the company considers most appropriate. As a basis for planning the audit, the auditor should review the Safety Management Manual to determine the adequacy of the SMS in meeting the requirements of the ISM Code. The documents submitted should be the latest revision issued by the Company. The document review should take place at least 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.

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 that needed to adequately cover its application to safety and environmental protection. Companies should structure their documentation in the way they find most effective and ensure that its implementation is demonstrated by objective evidence.

The ISM Code presents a challenge to the management of ships, both ashore and afloat, it must provide a reasonable balance of procedures and records etc. If the documentation is insufficient, the requirements of the SMS will not be adequately met; if it is too burdensome, the SMS will overwhelm the users and be counter productive to safety.

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.

### **3.4 Initial Audits**

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 Document of Compliance (DOC) will be issued to the Company.
- 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 successful audit of each ship a SMC will be issued.

In general an Initial or Renewal audit can be expected to be completed in one man-day however it could take more than one man-day. The time-scale would vary in accordance with the size, type of ship and the nature and size of the company.

A rule of thumb for calculating man-days is as follows:

<b>Companies operating cargo vessels</b>	
Document review (cargo)	2 - 4 hrs
DOC Interim audit (cargo)	4 - 6 hrs
DOC Initial audit (cargo)	6 - 8 hrs
DOC Annual audit (cargo)	6 - 8 hrs
SMC Interim audit (cargo)	4 - 6 hrs
SMC Initial audit (cargo)	6 - 12 hrs
SMC Intermediate audit (cargo)	6 - 10 hrs
<b>Companies operating passenger vessels</b>	
Document review (passenger)	6 - 8 hrs
DOC Interim audit (passenger)	8 - 12 hrs
DOC Initial audit (passenger)	12 - 16 hrs
DOC Annual audit (passenger)	8 - 12 hrs
SMC Interim audit (passenger)	6 - 8 hrs
SMC Initial audit (passenger)	32 - 48 hrs
SMC Intermediate audit (passenger)	16 - 24 hrs

### **3.5 The Declaration of Audit and issue of certificates**

On successful completion of the DOC audit a Declaration shall be completed by the Lead Auditor and the DOC issued. All ships are required to hold a copy of the DOC; this copy need not be certified in any way (Section 13.6 of the ISM Code refers).

Similarly, subsequent to a successful SMC audit, a Declaration shall be completed and the SMC issued. The original shall be retained on board and a copy in the company office files. Companies should acknowledge the safe receipt of DOCs and SMCs.

The Lead Auditor should complete an audit report—see paragraphs 4.11, 4.12 and 4.13 of these Instructions.

### **3.6 The Document of Compliance (DOC) Audit**

The DOC audit will take place at the company's principal place of business. This will normally be the office from which the Designated Person operates. If a Company operates from more than one location where different safety management functions are performed then these other locations may need to be visited. All records within the Company should be available for examination during an assessment. 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.

The purpose of the audit and the task of the auditor 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.

The auditor should also be satisfied that personnel, both ashore and afloat, have received training and are competent to perform their duties within the SMS. The manner in which the auditor assesses the ability of the Company to meet the objectives of the ISM Code is as follows:

- by a review of the Company's documentation i.e. the SMS;
- by discussion and interview with members of staff at all levels of the management team holding responsibility for functions within the SMS;
- by observation of documentary evidence (e.g. records, log books, checklists and reports concerning UK flag vessels); and
- by observation of working practices.

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. Records of internal audits would need to be verified.

The development of prescriptive management or packaged systems produced by consultancy firms should be discouraged. Such systems may result in Companies implementing requirements which are not suited to their operation and in so doing undermining 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).

Auditors are reminded that they are attending for the purpose of verifying compliance with the ISM Code and not to criticize the methodology a company has adopted in achieving compliance.

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 3.9 of these Instructions.

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 of the existing DOC.

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 may be withdrawn until sufficient corrective action has been taken to either correct the major non-conformity completely or to downgrade it.

When non-conformities are found 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.

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. It is anticipated that the guide should make any introductions necessary, arrange for meetings and interviews with Company personnel, act as a guide 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).
- Access to all relevant documents. Where documentation is stored electronically access to a computer terminal is essential.

Although these arrangements would be beneficial, it might not always be practical to be provided with the same.

### **3.7 Companies operating a multi-flagged-fleet**

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 single DOC should be issued by one of the Flag States, a consensus having been reached by the other Flags involved. The IMO has issued a MSC Circular entitled "Guidelines to Companies operating multi-flagged fleets and Supplementary Guidelines to Administrations" (see MSC/Circ. 762).

If UK flag ship(s) form a minor proportion (< 50%) of a multi-flagged fleet, the MCA will accept the DOC issued by the predominant Flag State. If the UK flag is the predominant flag then the MCA will issue the DOC.

### **3.8 DOC issued by another Administration**

The UK may accept a DOC issued by another Flag Administration which is on the Paris MOU White list, or by a recognised organisation on behalf of that Administration, following examination of the most recent audit report and evaluating the status of any non-conformities raised. In such circumstances the MCA (ISM Branch) will issue a Letter of Acceptance. A DOC issued by a

Grey listed Flag Administration may also be accepted subject to additional sanctions (eg. attending annual DOC audits), on a case by case basis. A typical text for such a letter is shown at Annex A. A copy of the Letter of Acceptance should be retained on board along with the recognised DOC. A fee for one hour should be charged to the company for issuance of a Letter of Acceptance for DOC.

### **3.9 Amending the DOC to include new ship types**

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 for that ship type(s). This audit is intended 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 to cover the new ship type(s). The existing DOC will remain unaffected for the period of validity of the Interim DOC (see paragraph 3.11 of these Instructions).

When sufficient objective evidence has been compiled to provide evidence 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 that includes all the additional ship type(s) should be issued. The expiry date of the new DOC should coincide with the expiry date of the original full term DOC.

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.

If during an annual DOC audit, it is noticed that the company has not operated a particular ship type for the last two years, removal of the ship type from the DOC should be considered. This needs to be done in consultation with MCA HQ.

### **3.10 The Safety Management Certificate (SMC) Audit**

The audit for the issue of a Safety Management Certificate (SMC) 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 should be contacted. 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.

Co-operation between the MCA and the Company/ships is essential in order to establish an audit timetable which is convenient to all parties concerned. In order to assess the implementation of the Safety Management System 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, the examination of documentation and records etc.

The SMC is valid for five years from the date of completion of the initial audit. However, an intermediate verification 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 verification comply with the requirements of the ISM Code. Depending on the nature of any non-conformity identified the MCA may consider it necessary to increase the frequency of intermediate verifications. The Company should conduct audits of its ships at a frequency, dependent on the size of the fleet, which allows for a meaningful assessment of the effectiveness of its SMS. The renewal verification should include an assessment of each element of the SMS pertaining 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 rates as applicable at the time of audit. Estimated fees are payable in advance of audits.

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.

### **3.11 Interim DOC and SMC**

An Interim DOC may be issued to facilitate initial implementation of the Code when:-

- a company is newly established,
- new ship types are to be added to an existing DOC

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

An Interim DOC, valid for a maximum of twelve months, may be issued provided that the Company can demonstrate that 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.

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 the ISM Branch in HQ. When an interim SMC is extended, the full term SMC which would be issued further to the subsequent initial audit would be dated from the expiry of the first interim certificate.

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 which have been 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.

### **3.12 DOC and SMC Renewal Audit**

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.

**NB A Full Term SMC cannot be issued if the company holds an Interim DOC only.**

### **3.13 Annual Verification (DOC) and Intermediate Verification (SMC) Audits**

A DOC is valid for a period of up to five years and is subject to annual verification 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 verification 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 Verification must be carried out within a six month envelope that falls three months either side of the anniversary date of the DOC.

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