

**COS-1-09 / RP 75 4TH EDITION**

# **GUIDANCE FOR CONDUCTING SEMS AUDITS**

FIRST EDITION | MAY 2023



**SEMS AUDIT &  
CERTIFICATES**



**DATA COLLECTION,  
ANALYSIS & REPORTING**



**GOOD PRACTICE  
DEVELOPMENT**



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# 1. SCOPE

Periodic Safety and Environmental Management System (SEMS) audits help determine if the SEMS has been established, implemented, and maintained, and is effective in achieving the desired results. These SEMS audits may also provide information to management to enable continual improvement. This Center for Offshore Safety (COS) document provides guidance for conducting SEMS audits that evaluate the level of conformity with the SEMS expectations contained in API RP 75, 4th edition<sup>1</sup>. COS-1-06 *Guidance for Developing a SEMS Audit Plan* and COS-1-08 *SEMS Audit Report Format and Guidance* provide guidance on how to plan for and document audit results.

# 2. ACRONYMS

- **API** - American Petroleum Institute
- **COS** - Center for Offshore Safety
- **SEMS** - Safety and Environmental Management Systems

# 3. DEFINITIONS

- **Asset** - The equipment (individual items or integrated systems) or software used offshore.
- **Audit Conclusion** - An auditor's overall assessment of the Establishment, Implementation, and Maintenance of the management system considering audit objectives and audit findings.
- **Audit Findings** - Conformances, Deficiencies, and Strengths.
- **Audit Results** - Conformities, Deficiencies, Observations, and Conclusions.
- **Auditor** - Person qualified to meet the objectives of the audit<sup>2</sup>.
- **Company** - An operator, contractor, or partnership engaged in offshore operations.
- **Compliance** - Act or process of meeting or exceeding regulatory and/or external requirements.
- **Conformity** - Fulfillment of the requirements of the management system.
- **Deficiency** - A Nonconformity. Deficiencies require corrective actions to be included in the Corrective Action Plan.
- **Effective** - The extent to which the management system or an element achieves the desired result as defined by the management system.

<sup>1</sup>COS-1-09/RP 75, 3rd ed. *Guidance for conducting SEMS Audits provides guidance for auditing to the 3rd edition of API RP 75 and the requirements in US Regulations 30 CFR 250 Subpart S.*

<sup>2</sup>Auditors participating in audits for which the Company intends to obtain a COS SEMS Certificate must meet the requirements defined in COS-2-01 *Qualification and Competence Requirements for Audit Teams and Auditors Performing Third-Party Audits of Deepwater Operations.*

- **Element** - A portion of a management system designed to accomplish a specific strategic objective. An element is typically composed of multiple Components.
- **Entity** - An operator or contractor that performs work or provides facilities, services, equipment, supplies, or information for a Company or on a Company's asset.
- **Established** - Management system element or component has been developed, and if required by regulation or by the organization, is documented.
- **Human Performance** - Systematic application of knowledge and learnings to improve management systems and the interactions of individuals with each other, equipment, and systems as an enabler of safety and environmental performance.
- **Implemented** - Management system or component is put into effect or action.
- **Maintained** - Management system element or component continues to achieve the desired result, is evaluated, and corrections or adjustments are made as needed.
- **Management System** - interrelated or interacting elements and their components established, implemented, and maintained to achieve defined objectives.
- **Management System Component (Component)** - A policy, practice, procedure, or process that is a part of the overall safety and environmental management system of a Company.
- **Nonconformity** - The Establishment, Implementation or Maintenance of management system elements or components are not conforming with requirements such that the intended results cannot be achieved.
- **Observation** - Evidence that supports a Conformity, Nonconformity, or a Strength.
- **Procedure** - Approved and documented instructions about a specific task or activity that is used to enable the safe and consistent execution of that task or activity.
- **Strength** - A management system component that has been identified by the Auditor as exceeding requirements and, if agreed with the Auditee, could benefit industry by being shared.
- **Work** - an activity or task in offshore operations.

# 4. INTRODUCTION

A SEMS is designed to help promote the systematic management of offshore operations with the ultimate goal being safe and environmentally sound performance. SEMS audits provide periodic verification of a company's management system in support of these overarching goals by evaluating if the management system adequately meets the SEMS requirements. These audits are comprehensive system reviews that focus on a company's ability to operate in a safe and environmentally sound manner.

This document provides guidance on a recommended approach to evaluate a company's management system relative to the SEMS requirements found in the American Petroleum Institute Recommended Practice (RP) 75, 4th edition. Companies should incorporate this guidance into their SEMS evaluation approach and may find it useful to better understand the process of management systems auditing. This guidance supports the delivery of the requirements defined in COS-2-03, 2nd Edition, *Requirements of Third-Party SEMS Auditing*.

# 5. CONTEXT

Approaches to auditing are dependent on the type and scope of an audit. A management system audit is intended to be a holistic, documented review of the system, its elements, and how the company is evaluating the effectiveness of the implementation of the system. While a management system audit may use compliance findings as evidence, it is focused on systematic aspects that promote and assure performance as intended. Conversely, a compliance audit is generally intended to check adherence to specific internal or external requirements. A company's management system should include components for both management system and compliance audits to reduce risk and increase confidence that the management system is operating as designed and is meeting regulatory and company requirements.

## **Management System Audit**

A management system audit is a documented evaluation of the design, implementation, maintenance, and performance of a management system, and can be insightful, whether conducted internally or by a third party. It evaluates the adequacy and effectiveness of the system and its elements to deliver the desired results. A management system audit is performance-based and seeks to identify system gaps and opportunities for continual improvement.

Management system audit reports should include conformities, deficiencies, conclusions, and strengths (where appropriate), and be supported by observations. The results of the management system audit should validate execution and enable continual improvement.

## **Compliance Audit**

A compliance audit is focused on verifying compliance with specific requirements and identifying specific deficiencies. These audits are often conducted more frequently than system audits and can vary widely in scope (e.g., time frame, regulatory and/or internal requirements, specific programs, or facilities).

# 6. GUIDANCE

This guidance is based on a management system audit approach as described above.

API RP 75, 4th edition, is written to apply to any company engaged in offshore operations, from lease evaluation through decommissioning. If an element, or part of an element, is not applicable to its operations, the rationale shall be addressed within a company's management system documents. It is recommended that the rationale for excluding part or all of an element from the Company's management system be reviewed early in the audit process and revisited if observations suggest the need for inclusion based on the company's risk profile and operations.

It is recognized that the elements within the management system are not independent of each other. The requirements in one element may have a direct relationship to requirements in another element. To assess the effectiveness of the SEMS, the interrelationships of the SEMS Elements must be evaluated. Some elements may lend themselves to being grouped, and the auditors' approach should be described in the audit plan. Auditors should be prepared to adjust the audit plan to revisit an element and address the interrelationships identified.

Companies are expected to incorporate local and jurisdictional requirements into their SEMS. Auditors need to be aware of local requirements and plan for evaluating how the company achieves those objectives.

Auditors should review the results of prior assessments and evaluate the effectiveness of those corrective actions during the current audit.

API RP 75, 4th edition, identifies four principles for the establishment, implementation, maintenance, effectiveness, and continual improvement of a Company's SEMS:

- Commitment,
- Risk Management,
- Human Performance, and
- Continual Improvement

Auditors should examine how the principles are integrated within the Company's SEMS. This can be done by reviewing how the principles are documented in the structure of the SEMS, how they are implemented, and whether objectives are achieved. The audit should be conducted in such a way that allows the auditors to evaluate how the principle is demonstrated. Auditors should consider how the principles are demonstrated during the audit, through discussions with personnel and when observing work.

Auditors should use the following verification steps to assess each applicable element against the expectations of API RP 75, 4th edition, and their delivery of the desired results. These verification steps should prompt discussion between the auditor and Company and provide direction as to what may be requested and reviewed during a SEMS audit. The auditors should verify through observations, discussions with personnel, and document review:

- that a component(s) has been established to meet or exceed the expectations of API RP 75, 4th edition, and requirements within the Company SEMS.
- that a component(s) has been established, implemented, and maintained to assign accountability and responsibility for the component(s).
- that a component(s) has been established, implemented, and maintained to determine the necessary skills and knowledge of those assigned accountability and responsibility.
- that the component(s) has been implemented and maintained and work is performed as written.
- that the Company is evaluating the effectiveness of the component(s) and promoting continual improvement.

As with any audit, the information gathered may prompt additional inquiry. This information will form the basis for the observations and conclusions that the auditor provides in the audit report, and aid in understanding the continual improvement cycle of the Company's SEMS.

