

**COS-2-03**

# REQUIREMENTS FOR THIRD-PARTY SEMS AUDITING

SECOND EDITION | MARCH 2020



**SEMS AUDIT &  
CERTIFICATIONS**



**GOOD PRACTICE  
DEVELOPMENT**



**DATA COLLECTION,  
ANALYSIS & REPORTING**



**SHARING INDUSTRY  
KNOWLEDGE**

# SPECIAL NOTES

Center for Offshore Safety (COS) and American Petroleum Institute (API) publications necessarily address problems of a general nature. Local, state, and federal laws and regulations should be reviewed to address particular circumstances.

COS, API, and their respective employees, subcontractors, consultants, committees, or other assignees make no warranty or representation, either express or implied, with respect to the accuracy, completeness, or usefulness of the information contained herein, or assume any liability or responsibility for any use, or the results of such use, of any information or process disclosed in this publication. COS, API, and their respective employees, subcontractors, consultants, or other assignees do not represent that use of this publication would not infringe upon privately owned rights.

COS publications may be used by anyone desiring to do so. Every effort has been made to assure the accuracy and reliability of the data contained in them; however, the COS and API make no representation, warranty, or guarantee in connection with this publication and hereby expressly disclaim any liability or responsibility for loss or damage resulting from its use or for the violation of any authorities having jurisdiction with which this publication may conflict.

COS publications are published to facilitate the broad availability of offshore safety information and good practices. These publications are not intended to obviate the need for applying sound judgment regarding when and where these publications should be utilized. The formulation and publication of COS publications is not intended in any way to inhibit anyone from using any other practices. Questions or clarification regarding this document may be directed to the Center for Offshore Safety, 15377 Memorial Drive, Suite 250, Houston, TX 77079 and Global Industry Services Department, American Petroleum Institute, 200 Massachusetts Ave NW, Washington, D.C. 20001.

Questions concerning the interpretation of the content of API RP 75 or comments and questions concerning the procedures under which API RP 75 was developed should be directed in writing to the Director of Standards, American Petroleum Institute, 200 Massachusetts Ave NW, Washington, D.C. 20001.

Requests for permission to use in other published works or translate all or any part of the material published herein should be addressed to Global Industry Services Department, American Petroleum Institute, 200 Massachusetts Ave NW, Washington, D.C. 20001.

# TABLE OF CONTENTS

- 1. SCOPE / APPLICATION .....1**
- 2. ACRONYMS .....1**
- 3. DEFINITIONS .....1**
- 4. CONFIDENTIALITY OF INFORMATION..... 3**
- 5. GENERAL..... 3**
- 6. AUDIT PROCESS..... 4**
  - 6.1 Audit Planning ..... 5
  - 6.2 Audit Execution and Reporting ..... 6
- 7. DISPUTES AND RESOLUTION ..... 6**
- 8. REPORTING CONCERNS .....7**

# 1. SCOPE / APPLICATION

This document defines the requirements for auditing of Safety and Environmental Management Systems (SEMS) to the requirements of applicable regulations and the most recent edition of American Petroleum Institute (API) Recommended Practice (RP) 75 unless an earlier version is mandated by applicable regulations.

## 2. ACRONYMS

- **AB** - Accreditation Body
- **API** - American Petroleum Institute
- **ASP** - Audit Service Provider
- **ATL** - Audit Team Lead
- **CAP** - Corrective Action Plan
- **COS** - Center for Offshore Safety
- **RP** - Recommended Practice
- **SEMS** - Safety and Environmental Management Systems

## 3. DEFINITIONS

- **Asset** - Equipment (individual items or integrated systems) and software used in offshore operations.
- **Audit Close-Out Meeting** - the meeting after the completion of all auditing information gathering activities, attended by the Audit Team Lead, one or more Audit Team members, and one or more Auditee management representatives, that is identified by the ASP as the close-out meeting. The ASP communicates the Audit Results at this meeting.
- **Audit Result** - Conformities, Deficiencies, Observations and Conclusions.
- **Audit Service Provider (ASP)** - Independent third-party organization accredited by COS to conduct SEMS audits.
- **Audit Team Lead (ATL)** - Qualified person who leads an audit team, who meets the requirements of Section 8.2 of COS-2-01, and is under the approval, support, and control of an Audit Service Provider when conducting an audit.
- **Auditee** - Company being audited.
- **Auditor** - Qualified person who is part of an audit team, who meets the requirements of Section 8.2 or Section 8.3 of COS-2-01, and is under the approval, support, and control of an Audit Service Provider when conducting an audit.

- **Component** - A policy, standard, practice, process, procedure, or control.
- **Conclusion** - A subjective assessment of the state of the Establishment, Implementation, and Maintenance of the management system based on identified Conformities and Deficiencies.
- **Conformity** - Meets or exceeds the management system element or its Components.
- **Corrective Action Plan (CAP)** - The written record of Corrections and Corrective Actions associated with identified Deficiencies, as well as those already completed at the time of developing the CAP.
- **Deficiency** - Either a Finding Level 1 or Finding Level 2. Deficiencies require Corrective Actions to be included in a Corrective Action Plan.
- **Established** - Management system or Component is in place and, if required by regulation or by the organization, documented.
- **Finding Level 1** - The Establishment, Implementation or Maintenance of a management system element is not conforming with requirements such that the Element cannot achieve its intended results. A Finding Level 1 requires Corrective Action(s) be included in a Corrective Action Plan.
- **Finding Level 2** - A Finding Level 2 meets one or both of the following criteria:
  - o An Element can achieve its intended results but the Establishment, Implementation or Maintenance of a Component(s) within the Element only partially conforms to the requirements for that Component and is indicative of a systemic issue.
  - o The functionality of an individual major incident prevention or mitigation control (as defined by the Auditee) is impaired.

A Finding Level 2 requires Corrective Action(s) be included in a Corrective Action Plan.

Note: Individual Observations within separate Elements may indicate a systemic issue that can result in a Finding Level 1 or 2.

- **Headquarters** - Auditee location that has overall management and control of the Auditee's SEMS.
- **Implemented** - Management system or Component is put into effect or action.
- **Maintained** - Management system or Component continues to work as designed, is checked, and corrections or adjustments are made, if required.
- **Observation** - Evidence that supports a Conformity or a Deficiency.
- **Strength** - A Component that has been identified by the ASP as exceeding SEMS requirements or recommended practice which could benefit industry by being shared.

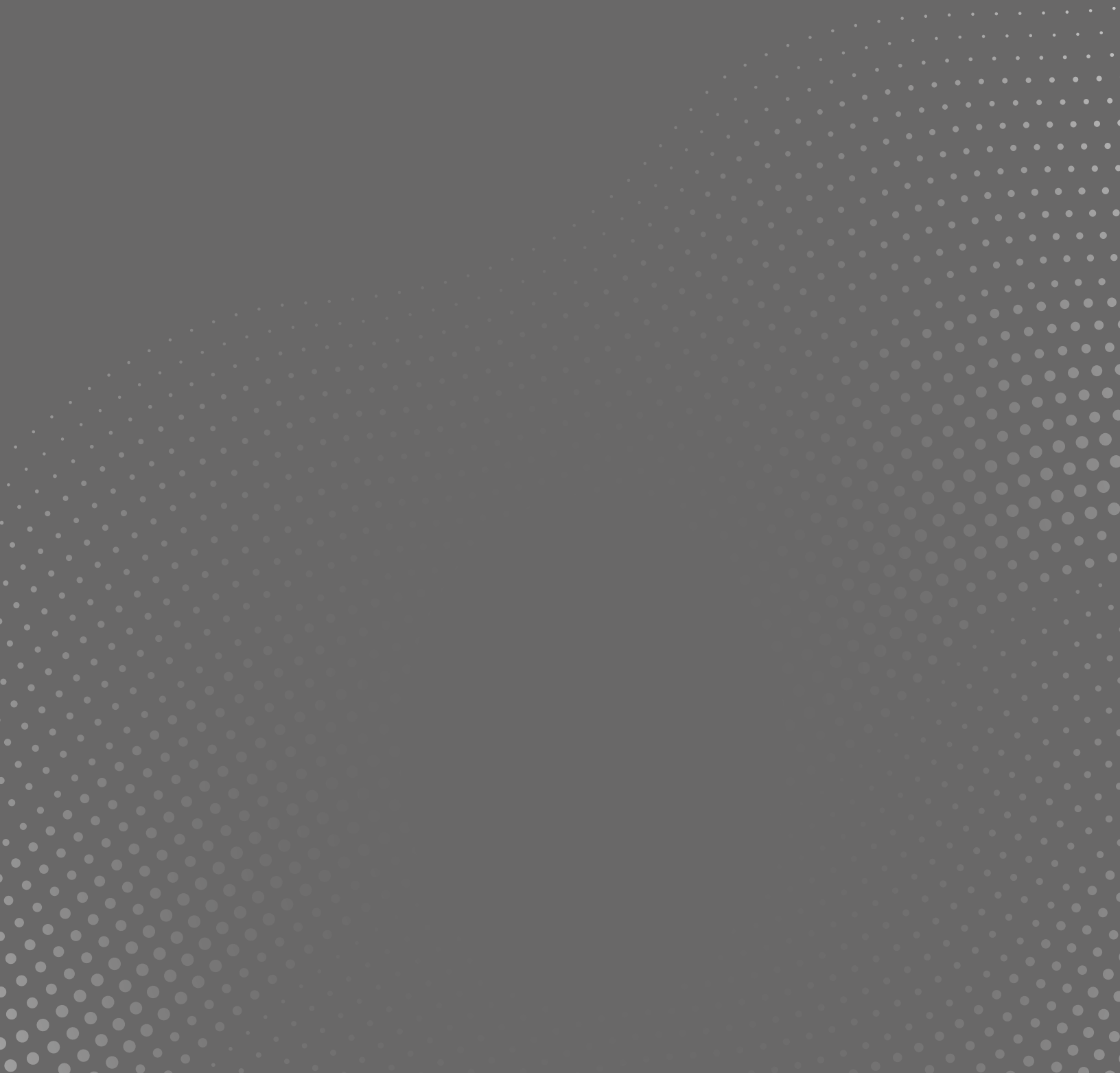
## 4. CONFIDENTIALITY OF INFORMATION

The ASP shall ensure that Auditors selected to conduct the SEMS audit comply with the ASP's policies concerning confidentiality of Auditee information and any additional confidentiality requirements agreed to between the ASP and the Auditee.

## 5. GENERAL

- 5.1 The SEMS Audit must be conducted by an ASP accredited to COS-2-04;
- 5.2 The SEMS Audit shall verify that the SEMS is Established, Implemented, and Maintained and that it is in conformance with applicable regulations and the most recent edition of API RP 75 (unless an earlier version is mandated by applicable regulations).
- 5.3 The ASP shall execute a written contract with the Auditee for the SEMS audit activities.

# 6. AUDIT PROCESS



# 6.1 AUDIT PLANNING

## 6.1.1. AUDIT TEAM

6.1.1.1. The ASP shall appoint an Audit Team that meets the qualification requirements specified in COS-2-01.

6.1.1.2. The Audit Team Lead must be an employee, representative, or agent of the ASP, and must be independent of the Auditee.

## 6.1.2. AUDIT SCOPE

6.1.2.1 The Auditee shall provide the ASP with a list of the Assets and operations covered under the Auditee's SEMS and the location of its Headquarters and Assets. A SEMS audit shall include at least 15% of the Assets covered under the scope of the SEMS, the Headquarters, and any locations that establish, implement or maintain the SEMS. The Assets selected shall be different from Assets audited in previous audit cycles unless otherwise dictated by applicable regulations.

6.1.2.2. SEMS Audits shall include interviews and discussions with Auditee's management that have overall responsibility for the SEMS and personnel with roles and responsibilities for Establishing, Implementing and Maintaining the SEMS.

6.1.2.3. Any subsequent SEMS audits shall include an evaluation of the implementation and effectiveness of Corrective Actions contained in the Corrective Action Plan from the previous SEMS audit, if applicable.

## 6.1.3. AUDIT DURATION

6.1.3.1. When determining audit duration, the ASP shall utilize the process described in its management system submitted to COS for accreditation.

6.1.3.2. Determination of the audit duration shall be, minimally, based on the following factors:

- Size and composition of the audit team
- Type and complexity of the Auditee's operations
- Anticipated operational status of the Assets in scope of the audit at the time of the audit
- Auditee's organizational structure for the Headquarters, any locations that Establish, Implement or Maintain the SEMS, and the Assets that are to be audited
- Number of personnel and contractors at the Assets to be audited

6.1.3.3. All Assets within the audit sample (as indicated in 6.1.2.1) shall be audited within the six (6) month period after the audit start date (opening meeting).

## 6.1.4. AUDIT PLAN

6.1.4.1 The ASP and Auditee shall agree on the time required to adequately develop the audit plan.

6.1.4.2. The ASP and Auditee shall agree on an audit plan before the scheduled execution of the audit.

6.1.4.3. The audit plan shall meet the requirements in COS-1-06 *Guidance for Developing a SEMS Audit Plan*.



# 6.2 AUDIT EXECUTION AND REPORTING

## 6.2.1.

The ASP shall perform SEMS audits according to the agreed Audit Plan. Deviations from the Audit Plan shall be approved by the Auditee, ASP, and any applicable regulatory agencies, if required by regulations.

## 6.2.2. AUDIT REPORTING

6.2.2.1 The ASP shall comply with the requirements of COS-1-08 *SEMS Audit Report Format and Guidance* in reporting Audit Results.

6.2.2.2. **AUDIT RESULTS** - The audit report shall provide a complete, accurate, concise, and clear record of the audit and Audit Results.

6.2.2.2.1. **Conformities** – The ASP shall identify and document a summary of conformities and include supporting Observations. The ASP, with approval of the Auditee, has the option to identify and document Strengths.

6.2.2.2.2. **Deficiencies** – The ASP shall identify and document deficiencies and include supporting Observations. A Deficiency is either a Finding Level 1 or Finding Level 2.

6.2.2.2.3. **Conclusion** – The ASP shall summarize in a Conclusion a subjective assessment of the state of the Establishment, Implementation, and Maintenance of the management system based on identified Conformities and Deficiencies.

6.2.2.2.4. **Observations** – The ASP shall identify and document the Observations that support the Conformities, Deficiencies, Conclusions, and (if agreed to by the Auditee) Strengths.

6.2.2.3. The ASP shall maintain the following records for a minimum of six (6) years:

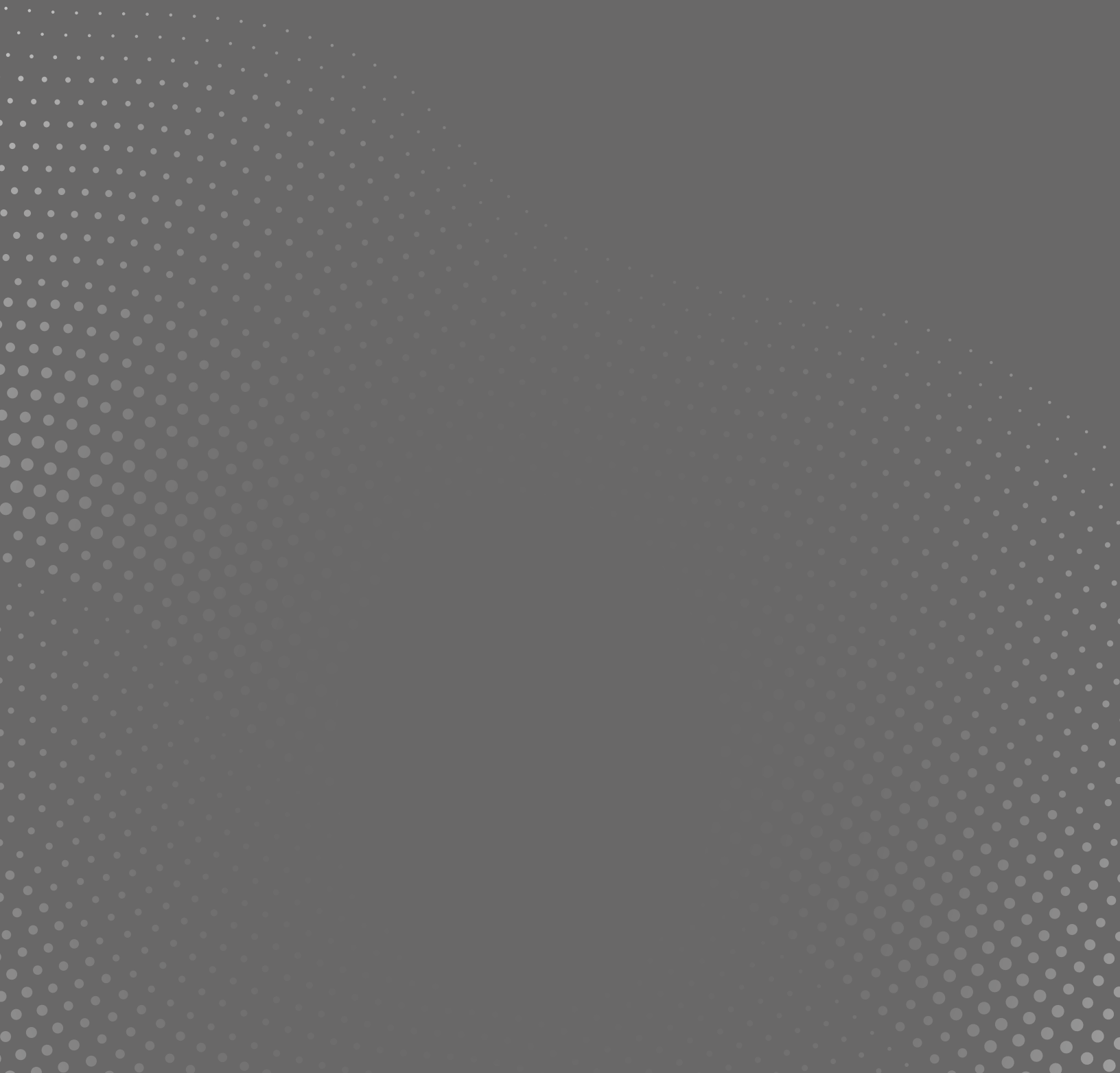
- Audit Plan
- Audit Report

6.2.2.4. The Audit Report shall be provided to the Auditee within 30 days after the completion of the Audit Close-Out Meeting.

# 7. DISPUTES AND RESOLUTION

Any Auditee's dispute concerning SEMS Audit Results shall first be discussed with the Audit Team Lead. If a dispute cannot be resolved at this level, the dispute shall be elevated using the ASP dispute resolution process.

# 8. REPORTING CONCERNS



# 8.1 SAFETY AND ENVIRONMENTAL CONCERNS

## 8.1.1.

Members of the Audit Team shall immediately communicate to the Auditee any potentially significant safety and environmental acts or conditions within the scope of the audit that are brought to the team member's attention during the execution of the audit. The Audit Team Member is not obligated to disclose the source of the information, only the concern.

# 8.2 AUDIT PERFORMANCE AND CONDUCT CONCERNS

## 8.2.1.

The Auditee shall communicate concerns to the ASP regarding audit team or audit team member performance with respect to the audit.

## 8.2.2.

The Auditee shall communicate concerns to the ASP regarding the conduct of the audit team or audit team member.

## 8.2.3.

The ASP shall communicate concerns to the Auditee regarding the conduct of Auditee personnel.

## 8.2.4.

Audit performance and conduct concerns can also be reported by the Auditee or ASP to the AB through the COS complaints procedure.

