

COS-1-08

SEMS AUDIT REPORT FORMAT AND GUIDANCE

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**SEMS AUDIT &
CERTIFICATIONS**



**GOOD PRACTICE
DEVELOPMENT**



**DATA COLLECTION,
ANALYSIS & REPORTING**



**SHARING INDUSTRY
KNOWLEDGE**

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1. SCOPE / APPLICATION

The Center for Offshore Safety (COS) has developed COS-1-08 *SEMS Audit Report Format and Guidance* to provide a recommended standardized method of documenting results of a SEMS Audit. The format and guidance may be used for any audit that meets the applicable requirements of API RP 75 *Development of a Safety and Environmental Management Program for Offshore Operations and Facilities, 3rd Edition*, and COS-2-03 *Requirements for Third-Party SEMS Auditing, 2nd Edition*¹, including an audit intended to receive a COS SEMS Certificate under COS-2-05 *Requirements for COS SEMS Certificates*. This format and guidance may be adapted to meet local regulatory requirements.

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
- **ISO** - International Organization for Standards
- **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 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.

¹API RP 75 3rd edition and parts of COS-2-03 1st edition have both been incorporated by reference under 30 CFR 250.198.

- **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.
- **Conformity** - Meets or exceeds the management system element or its Components.
- **Conclusion** - A subjective assessment of the state of the Establishment, Implementation, and Maintenance of the management system based on identified Conformities and Deficiencies.
- **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.
- **Effective** - The extent to which the management system or an element achieves the desired result as defined by the management system.
- **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.

- **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.
- **Subject Audit Period** - The period of time of Auditee's operations that will be reviewed by the audit team. Normally, the Subject Audit Period will begin at the completion of the previous SEMS audit and end at the completion of the current SEMS Audit.

4. INTRODUCTION

An audit report documenting the identified Audit Results should be submitted to the Auditee at the completion of an audit. Ideally, these reports would follow a standardized format to allow for internal and external comparison, as appropriate and authorized, with other SEMS audit reports.

5. GUIDANCE

The standard report format for SEMS audits should have the following sections.

- Audit Summary
- Audit Objectives
- Audit Criteria and Scope
- Audit Team
- Audit Schedule
- Audit Terms and Definitions
- Conclusions
- Summary of Audit Findings
- Strengths
- Audit Results

The audit report should include the information in Sections 5.1 through 5.10 below. Where a section includes **text and tables in bold/blue, such text and tables should be used in the report.**

5.1 AUDIT SUMMARY

Consistent with the requirements of American Petroleum Institute (API) Recommended Practice (RP) 75, Section 12, and COS SEMS Audit program requirements, [insert name of Audit Service Provider (ASP)] conducted an audit of [insert Auditee name] Safety and Environmental Management System (SEMS). This audit started on [insert date] and was completed on [insert date] in accordance with the audit plan.

In addition to the recommended text, the ASP should provide a summary of the team composition and the Assets visited. The ASP should also provide an overview of the Auditee's SEMS, including any diagrams or information to show the interface between the Auditee's Management System and API RP 75, if applicable. Indicate significant changes, if any, affecting the Auditee's SEMS since the completion of the previous SEMS audit

5.2 AUDIT OBJECTIVES

The objectives of this audit included the following:

- **Verify that the SEMS included the relevant elements of API RP 75 and COS SEMS Audit requirements;**
- **Verify that the SEMS elements incorporated the requirements;**
- **Verify that the SEMS elements were Established, Implemented, and Maintained;**
- **Verify that the Auditee evaluated the Effectiveness of the SEMS;**
- **Verify that the corrective actions in the Corrective Action Plan (CAP) from the previous SEMS audit were closed or are on schedule to be closed.**

The ASP should include any additional objectives that were agreed as part of the audit plan.

5.3 AUDIT CRITERIA AND SCOPE

This section identifies the requirements against which the Auditee's SEMS was audited, as well as the scope of the audit. It should include the types of operations, work activities, and Assets; and, Subject Audit Period. Any tools that are used during the audit can be referenced as applicable, e.g. a protocol.

Any changes to the audit plan that occurred during the execution of the audit, including, but not limited to, changes to the audit team, changes to the Assets visited, and changes to the audit schedule, should be documented here along with the reason for the change.

5.4 AUDIT TEAM

Include the recommended table and text:

AUDITOR NAME	TEAM ROLE	AFFILIATION	SIGNATURE
[INSERT TEAM LEAD NAME]	AUDIT TEAM LEAD	ASP	
[INSERT TEAM MEMBER NAME]	TEAM MEMBER	ASP OR COMPANY	
[INSERT TEAM MEMBER NAME]	TEAM MEMBER	ASP OR COMPANY	

The Audit Team Lead and Audit Team Member names and their affiliation should be inserted into the table above. If the Audit Team Lead is not an employee of the ASP, describe the Audit Team Lead’s relationship (e.g. representative, agent, etc.) to the ASP.

Per API RP 75, Section 12, provision is made in the table for the audit team to sign the report. Additional rows may be added to the table to indicate additional audit team members.

5.5 AUDIT SCHEDULE

The SEMS Audit started on *[insert date]* and was completed on *[insert date]* in accordance with the audit plan.

AUDIT DATES	AUDIT ACTIVITIES
	OFFICE AUDIT(S)
	FIELD LOCATION(S)
	FOLLOW-UP AND ADDITIONAL DATA COLLECTION (AS REQUIRED)
	AUDIT CLOSE-OUT MEETING (AUDIT COMPLETION DATE)

The table must include the date(s) each audit activity occurred. Each location visited should have its own row within the table.

5.6 AUDIT TERMS AND DEFINITIONS

SEMS audit terms and definitions used in this audit are defined in COS-2-03. For reference, the definitions utilized in this report are listed in the table below.

TERMS	DEFINITION
CONFORMITY	
DEFICIENCY	
FINDING LEVEL 1	
FINDING LEVEL 2	
COMPONENT	
CONCLUSION	
EFFECTIVE	
OBSERVATIONS	
STRENGTHS	

Any other terms and definitions used in the audit report that were agreed between the Auditor and Auditee should be added to this table in the final report.

5.7 CONCLUSION

The ASP should provide an overall Conclusion to indicate the state of the Establishment, Implementation, and Maintenance of the SEMS based on identified Conformities and Deficiencies. The ASP should include a statement confirming that the audit objectives were fulfilled and the appropriateness of the audit scope.

5.8 SUMMARY OF AUDIT FINDINGS

The table below documents the number, if any, of Findings Level 1 and Findings Level 2 per element identified by the audit team.

SEMS ELEMENT	FINDINGS LEVEL 1	FINDINGS LEVEL 2
ELEMENT 1 - GENERAL		
ELEMENT 2 - SAFETY AND ENVIRONMENTAL INFORMATION		
ELEMENT 3 - HAZARDS ANALYSIS		
ELEMENT 4 - MANAGEMENT OF CHANGE		
ELEMENT 5 - OPERATING PROCEDURES		
ELEMENT 6 - SAFE WORK PRACTICES		
ELEMENT 7 - TRAINING		
ELEMENT 8 - ASSURANCE OF THE QUALITY AND MECHANICAL INTEGRITY OF CRITICAL EQUIPMENT		
ELEMENT 9 - PRE-STARTUP REVIEW		
ELEMENT 10 - EMERGENCY RESPONSE AND CONTROL		
ELEMENT 11 - INVESTIGATION OF INCIDENTS		
ELEMENT 12 - AUDITING		
ELEMENT 13 - RECORDS AND DOCUMENTATION		
TOTALS		

If this table is used, then it must be completed to indicate the number of Findings Level 1 and Findings Level 2 identified during the audit. Additional rows can be added to the table to address local regulatory and any other requirements. A column can be added if Strengths are identified.

5.9 STRENGTHS

If agreed to by the Auditee, this section should provide a summary of any Strengths identified during the audit. If no Strengths merit documentation, then this sub-section can be removed from the audit report. It is inappropriate to say that no Strengths were identified.

5.10 AUDIT RESULTS

For each element audited, the table below documents the detailed areas of Conformity and any Deficiencies (Findings Level 1 and Findings Level 2) identified by the audit team, along with supporting Observations.

ELEMENT # - TITLE (REGULATION CITATION)
AREAS OF CONFORMITY SUPPORTED BY OBSERVATION(S):
FINDING(S) LEVEL 1 SUPPORTED BY OBSERVATION(S):
FINDING(S) LEVEL 2 SUPPORTED BY OBSERVATION(S):

It is good practice that a statement describing the specific areas of Conformity, Findings Level 1, and Findings Level 2 precede the supporting Observations. Similarly, observations that support each area of Conformity and each Deficiency should be documented for each element audited. Additional rows may be added to the tables (per element as necessary) to indicate when Strengths were noted, along with supporting Observation(s).

Observations must be factual and include documentation and records reviewed, positions/roles interviewed, and/or activities witnessed. Observations are expected to accurately report the evidence and have sufficient detail to demonstrate that the evaluation was thorough, and that a Conformity or Deficiency is valid. Deficiencies should be specific and supported by Observations such that the Auditee can develop Corrective Action(s).

APPENDIX 1 - EXAMPLES OF AUDIT RESULTS MEETING EXPECTATIONS FOR AUDIT REPORTS

ELEMENT 4 – MANAGEMENT OF CHANGE [250.1912/API RP 75 SECTION 4]

Areas of Conformity supported by Observation(s):

Operator A had established and implemented a Management of Change (MOC) Process [document number/title, revision number and revision date] which addressed both permanent and temporary changes associated with equipment, operating procedures, materials and personnel. The process required approval and evaluation for risk by competent individuals and reviews by functional groups through the use of an MOC Checklist [document title/number, revision number and revision date] to determine potential impacts of the change on safety, health and environment. At the time of the audit there were 30 active MOCs from which a random sample of 10 was reviewed. Progress on approval, technical review and implementation of the changes were documented and monthly updates were provided to Auditee's management. Final review and approval were required prior to start-up of any changes and was managed through the Pre-Startup Safety Review Process.

Finding(s) Level 1 supported by Observation(s):

A Finding Level 1 was not identified at the time of the audit.

Finding(s) Level 2 supported by Observation(s):

In some instances, work was initiated prior to completing a required pre-work technical review.

The Management of Change Process [document number/title, revision number and revision date] required a technical review to be conducted and any action required from the review to be addressed prior to the commencement of work. Review of 5 [list MOC numbers] out of 10 MOCs sampled at the time of the audit provided evidence that installation of the new or changed equipment had commenced before the completion of the technical review process.

Citation: 30 CFR 250.1912(c)

APPENDIX 1 - (CONT)

ELEMENT 9 - PRE-STARTUP REVIEW [250.1917/API RP 75 SECTION 9]

Area(s) of Conformity supported by Observation(s):

Operator B had established and implemented a process for Pre-Startup Review (PSR) [document number/title, revision number and revision date] that partially addressed regulatory requirements. Records and interviews supported that a PSR reviewed all required criteria and that findings were being addressed at 2 of the 4 assets examined.

Interviews with personnel at all 4 of the operations visited provided evidence that PSR were being conducted in accordance with the Auditee's written procedure. Additional elements required by 30 CFR 250.1917 (but not included in the procedure) were being confirmed at 2 of the 4 assets visited.

Finding(s) Level 1 supported by Observation(s):

The Auditee's written procedure for PSR was missing 3 of the 7 elements required by 30 CFR 250.1917 and API RP 75 Section 9 (i.e., confirmation that safety and environmental information was current, confirmation that hazards analysis recommendations had been implemented as appropriate, and confirmation that training of operating personnel had been completed).

The PSR of the XX Process at the ZZ platform on [Date] did not address whether the hazards analysis recommendations for the XX process had been implemented. When the XX process was started up on [Date], the undersized pressure relief valve was still in place.

Finding(s) Level 2 supported by Observation(s):

The Auditee's procedures for PSR were inconsistently applied between assets.

The procedures utilized at 2 of the 4 assets visited at the time of the audit were not sufficient to assure an Effective PSR.

APPENDIX 1 - (CONT)

ELEMENT 11 - INVESTIGATION OF INCIDENTS [250.1919/API RP 75 SECTION 11]	
Area(s) of Conformity supported by Observation(s):	
Operator A had an Incident Investigation Process in place that provided guidance for reporting and investigating incidents. Investigation teams were facilitated by personnel who had completed the required qualified facilitator training. Review of the incident management database and interviews with personnel at (list number of assets) visited provided evidence that lessons learned from (list sample data) recent incidents were shared, and information from incident alerts were utilized during safety meetings	
Finding(s) Level 1 supported by Observation(s):	
A Finding Level 1 was not identified at the time of the audit.	
Finding(s) Level 2 supported by Observation(s):	
Operator A was not consistently meeting its internal requirement for closure of corrective actions resulting from incident investigations 10 completed incident investigations in the incident management database were reviewed, with a total of 5 out of 20 corrective action items showing no completion action or date in the database (provide reference information for the 5). Citation: 30 CFR 250.1919(b)(2)	

APPENDIX 2 - EXAMPLES OF INADEQUATE OBSERVATIONS

The following example does not provide sufficient supporting evidence as written for the Auditee to understand what must be corrected and changed to assure ongoing conformance:

“The process for Pre-Startup Safety Review was inadequate.”

The following example does not provide sufficient supporting evidence, as written, for the Auditee to be assured that the Auditor conducted a sufficiently comprehensive examination of the element to merit the deduction:

“The Auditee had an Incident Investigation and Reporting Process in place that met the requirements of 30 CFR 250.1919.”

The following example illustrates a finding that is not sufficient, by itself, to understand whether the Auditee’s management system could provide assurance that the required criteria for Pre-Startup Review were met:

“The procedure for Pre-Startup Review was missing the following evidence:

- Confirmation that safety and environmental information was current [30 CFR 250.1917(c)];
- Confirmation that hazards analysis recommendations had been implemented as appropriate [30 CFR 250.1917(d)]; and
- Confirmation that training of personnel had been completed [30 CFR 250.1917(e).”

