

# INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE

The shipping industry has come a long way since the introduction of the ISM Code initially applied to tankers and passenger ships in July 1998 and other ships in July 2002.

Twelve years after ISM became mandatory, the International Maritime Organization (IMO) has issued the first revision of the Code and its amendments came into force on 1 July 2010. All companies should be aware of these revisions and be taking steps to ensure their compliance. There are some amendments explicitly requiring companies to carry out certain safety management functions. The changes include:

- there is a slight change in the definition of a major non-conformity
- companies must fully assess all identified risks and show how these risks have been identified
- companies must ensure that safety and environmental policies are established to achieve the ISM Code objectives as described in para 1.2 of the Code
- masters must periodically review their Safety Management System (SMS) and report deficiencies to shore-based management
- measures are implemented to prevent accidents from recurring (learning from mistakes)
- ship and shore internal audits are carried out every 12 months
- the company should periodically evaluate the effectiveness of the SMS

Some jurisdictions have already stated that this means a complete review of the SMS ashore and on ship at least once a year.

Nothing in the above should affect a mature and well-operating SMS. However, there is an emphasis on the system now being effective.

The Safety and Loss Department, through its condition surveys and Member Risk Reviews, has recorded that there are aspects of ISM systems that are not being effectively implemented.

We have seen a significant number of:

- internal audits that are ineffective
- master's reviews that are ineffective
- SMSs with no coherent system to ensure that lessons are being learnt from mistakes that have been made, i.e. recording near misses, accidents, analysis of accidents and sending out fleet notices/alerts or equivalent to prevent accidents from recurring
- SMSs that do not have any risk assessments

All of the above are now far more clearly stated as being required. Companies should ensure that their safety management review includes a review of the changes made in the revised ISM Code.

The use of wording such as 'effectiveness' should galvanise members into making sure their systems are effective. The ineffectiveness of SMSs has been in part due to the poor understanding and training given to the ship's staff, and ineffective implementation and auditing by the Flag States and Class. That is a generalisation of course, but why else would the oil and gas industry have implemented the Tanker Management Self Assessment (TMSA).

The Standard Club is in the enviable position of having the experience of surveying ships and also seeing the SMSs of owners. From what we see, the majority of SMSs are in a good shape, but there are still a significant number that have gaps, in particular when considering the effectiveness of the system.

The club surveyors are aware of the differences in SMS requirements seen on different ships and trades; however, we are striving to see that the best practices are passed on and that the ISM system onboard is effective. The number of claims of all varieties is a continual testament to the fact that ISM systems are not being implemented as effectively as they should be.

Companies should review their ISM SMS to see whether their audits and master's reviews are effective. This should be a priority set by the chief executive – failure to do so could lead to a major casualty or result in a major ISM non-conformance.

**— “From what we see, the majority of SMSs are in a good shape, but there are still a significant number that have gaps, in particular when considering the effectiveness of the system.”**