

## Member Risk Reviews



**CHRIS SPENCER**  
**DIRECTOR OF LOSS PREVENTION**  
+44 20 3320 8807  
[chris.spencer@ctcplc.com](mailto:chris.spencer@ctcplc.com)

It has been a year since the club launched the Member Risk Review (MRR), which superseded the Minimum Operating Standards (MOS). A full explanation of the MRR is available on the club's website at: [www.standard-club.com](http://www.standard-club.com).

In short, it is a management review of the member's safety management system (SMS), a requirement for all new members. It ensures that the SMS is of a standard acceptable to the club. This therefore provides for an equitable standard throughout the club, preserving the mutuality for all members, a way for the club to get to know the member better and an opportunity for feedback to the club.

Since December 2008, the Safety and Loss Department has performed 35 MRRs. These have ranged from large operators with hundreds of ships to smaller companies with only a handful of ships and it has included owners of passenger ships, dry ships, gas ships, drilling and offshore operators.

### Member Risk Review findings

#### Management and leadership:

- in 40% of companies, there was no effective use of Key Performance Indicators (KPIs). We would urge members to use KPIs to measure their safety performance so that they are able to set improvement goals
- in 30% of companies, there was ineffective transmission of best practice and/or lessons learnt, i.e. there was no system of fleet notices, or equivalent, advising the fleet of an incident and attempting to prevent it from happening again. It is necessary for all companies to learn from past experience and improve their way of working as a result
- in 20% of companies, internal ISM audits were thought to be ineffective. This means that audits were being carried out, but the content of the audit did not reflect the true situation. The audits were being carried out as an act of compliance, "yes we do audits and so can prove that we comply with the code". Through the use of the MRRs and the condition survey programme, there is evidence that some Flag States and/or classification societies do not apply the ISM Code standards in an equitable manner. Condition survey findings, such as non-existent procedures for tank entry or hot engine exhausts not lagged, engine rooms found dirty with oil, or passage plans not being complied with, are proof that the ISM Code has not been understood or implemented in a consistent manner, even within the same Flag or Class society

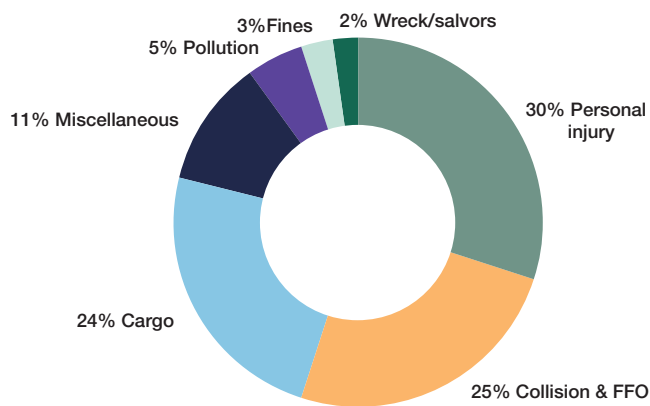
#### Shore-based personnel:

- in 40% of companies, there was inadequate identification of the training needs for shore personnel. In fact, a significant number did not have a person responsible for identifying the training needs of the shore staff. The experience and motivation of ship and shore staff is a major issue within the industry. In order to maintain the level of expertise within an organisation, resources need to be focused on the training of all staff

#### Shipboard personnel:

- 20% of companies did not carry out random drug and alcohol tests
- 30% of companies did not have an effective system in place to identify the training needs of the seafarers
- 30% of companies did not have an effective method of monitoring the Standards of Training, Certification and Watchmanship (STCW) working hours. Fatigue is an issue and occasionally is raised in condition surveys. On some ships in certain trades (mainly short sea trades), it is evident that the number of personnel on board would make it difficult to comply with the STCW working hours requirements. Members with ships on these trades should be aware that fatigue is often cited as a contributory cause in incidents and accidents

### Value of claims by risk type (2000-2008)



### Technical maintenance:

- 8% of companies did not carry out bunker fuel oil analysis. Although not a statutory requirement, not carrying out fuel oil analysis presents a high risk of engine damage

### Navigational safety:

- 40% of companies did not carry out navigational audits. Our last *Standard Safety* publication focused on navigational issues, and it is apparent that this high-risk activity is not being adequately monitored. Accurate navigational audits are a major loss prevention tool and all companies should consider using them
- 50% of companies did not carry out bridge team management/bridge resource management (BTM/BRM) training
- no Electronic Chart Display Information System (ECDIS) training was given in over 20% of companies. ECDIS is going to be a mandatory requirement, and companies should consider increasing their training in this area. Any company using electric chart systems, even if it is not an approved system, should have their navigational watchkeepers trained in ECDIS
- no formal ship-handling or anchoring training was undertaken in 45% of companies. The fixed and floating objects (FFO) claims that the club sees, where wharves, berths and terminals are damaged, are considerable, both in terms of costs and number. The lack of training given to masters in ship-handling and the lack of effective monitoring of the pilot is a probable underlying cause to many of these incidents

### Management of change:

- 40% of companies did not have management of change procedures. All companies had some form of familiarisation procedure on joining a new ship, but a significant number did not address the management of change issue. What, for example, is the company procedure when taking over a new ship? What risk assessment is done? Who is responsible for looking at the risks when taking over a new ship for the company? The management of change is a useful tool in assessing the risks when major changes occur to a plan or an operation

### Accident investigation:

- 20% of companies had ineffective accident investigation procedures
- 30% of companies did no near-miss reporting or analysis

The ISM code requires companies to learn from their mistakes. These mistakes should be recorded as 'near misses' and accidents. If these are not collected and recorded – not for the purposes of attributing blame, but to learn from – there is little hope that the company will learn from its mistakes. Collect and analyse the information, report it (to management and the workforce) and put plans into effect to prevent such accidents from happening.

### Safety management:

- 40% of companies had no effective risk assessment procedures
- 20% of companies were ineffective in their analysis of audits and inspections. They were not learning from the findings of the audits carried out

Risk assessment is a major safety tool in preventing accidents from happening. Use this in addition to permits to work and the risks of an accident happening in the workplace are minimised. Once it is introduced and becomes second nature, its benefits quickly become apparent.

### Loss prevention:

The fact that a significant minority of companies still do not effectively use the following techniques indicates that there is still a lot of scope for improvement in trying to reduce incidents, accidents and claims:

- KPIs
- near miss reporting
- accident analysis
- risk assessments
- management of change techniques
- navigational audits

Many companies are not taking the proactive route in preventing accidents.

All of the above techniques are commonly applied in the tanker industry, not because ISM demands it, but because the industry and society require it. It is time for the other sectors, the bulk, general cargo, container and passenger ferry operators, to consider these good management practices.