



**Instructions for the guidance of surveyors on
Domestic Safety Management Code for the safe operation
of ships and for pollution prevention**

**(The DSM Code)
MSIS29**

Rev 12.22

Preface

These Marine Survey Instructions for the Guidance of Surveyors (MSIS) are not legal requirements in themselves. They may refer to statutory requirements elsewhere. They do represent the MCA policy for MCA surveyors to follow.

If for reasons of practicality, for instance, these cannot be followed then the surveyor must seek at least an equivalent arrangement, based on information from the owner/operator. Whenever possible guidance should be sought from either Principal Consultant Surveyors or Survey Operation Branch, in order to maintain consistency between Marine Offices.

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Recent amendments

The amendments made in the most recent publication are shown below, amendments made in previous publications are shown in the document Amendment History.

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1 Chapter 1 - introduction and background

1.1 Aims

These Instructions to surveyors have been produced by the Maritime and Coastguard Agency (MCA), an executive agency of the Department for Transport, for the guidance of surveyors auditing the safety management systems of companies who operate domestic passenger ships, both on board and ashore. In addition, they provide guidance for ship owners, operators and others concerned on the procedures adopted for carrying out audits for compliance with the DSM Code.

1.2 Introduction

- 1.2.1 These instructions have been produced in order to provide guidance to surveyors engaged in the audit of domestic passenger ships against the requirements of the “safety management code for domestic passenger ships” and the safety management sections of the inland waters and small seagoing passenger ships codes.
- 1.2.2 The “company” operating some of these domestic passenger craft may consist of a single owner / operator. Consequently, it is not anticipated that their documented safety management systems will be as extensive in coverage or detail as would be expected from a company operating ships certificated under the International Safety Management (ISM) Code. Surveyors should be pragmatic in their approach, and consider the size, nature and area of operation of the vessels concerned.

1.3 The Domestic Safety Management Code (DSM code)

1.3.1 Reference

The Merchant Shipping (Domestic Passenger Ships Safety Management Code) Regulations 2001 (SI 2001 / 3209) came into force on 1 November 2001 giving statutory force to the Safety Management Code for Domestic Passenger Ships, The DSM Code. The Code is reproduced in the Passenger Ship Codes. The DSM Code is a derivative of the International Safety Management (ISM) Code and was developed in consultation with the Domestic Passenger Ship Safety Group (DPSSG). Although the requirements of the Code remain the same, changes have been introduced in April 2015 to the frequency of DSM Audits / Inspections. Advice to ship owners is included in MSN 1869 (M) and MGN 536.

1.3.2 Application

The Code will apply to small passenger ships engaged in domestic trade only. The Code will not be applied to domestic operators who have achieved voluntary compliance with the International Safety Management (ISM) Code against which they shall be allowed to maintain their certification if they so wish. The classes and a description of the ships to which the Code applies are tabulated below: -

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| Class III | Ships engaged only on voyages in the course of which they are at no time more than 70 miles by sea from their point of departure and not more than 18 miles from the coast of the United Kingdom, and which are at sea only in favourable weather and during restricted periods. |
| Class IV | Ships engaged only on voyages in Category A, B, C or D waters. |
| Class V | Ships engaged only on voyages in category A, B or C waters. |
| Class VI | Ships engaged only on voyages with not more than 250 passengers on board, to sea, or in Category A, B, C, or D waters, in all cases in favourable weather and during restricted periods, in the course of which the ships are at no time more than 15 miles, exclusive of any Category A, B, C, or D waters, from their point of departure nor more than 3 miles from land. |
| Class VI(A) | Ships carrying not more than 50 passengers for a distance of not more than 6 miles on voyages to or from isolated communities on the islands or coast of the United Kingdom and which do not proceed for a distance of more than 3 miles from land. |
| EU Class (C) | Passenger ships engaged on domestic voyages in sea areas where the probability of exceeding 2.5m significant wave height is smaller than 10% over a one-year period for all-year round operation, or over a specific restricted period of the year for operation exclusively in such period (e.g. summer period (operation), in the course of which it is at no time more than 15 miles from a place of refuge, nor more than 5 miles from the line of the coast, where shipwrecked persons can land, corresponding to the medium tide height. |

| | |
|--------------|--|
| EU Class (D) | Passenger ship engaged on domestic voyages in sea areas where the probability of exceeding 1.5m significant wave height is smaller than 10% over a one-year period for all-year round operation, or over a specific restricted period of the year for operation exclusively in such period (e.g. summer period operation), in the course of which it is at no time more than 6 miles from a place of refuge, nor more than 3 miles from the line of the coast, where shipwrecked persons can land. |
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Exemptions to the Code may be granted by the Secretary of State if:-

- a) compliance with such provision is either impractical or unreasonable, and
- b) the exemption is subject to such conditions and limitations as will provide a level of safety equivalent to that provided by the provision or provisions from which exemption is being granted

1.3.3 UK policy

With regard to the administration and monitoring of DSM Code compliance the UK policy is aligned with that of the ISM Code i.e. the Maritime & Coastguard Agency (MCA) will retain direct responsibility for the assessment and audit of operating companies against the requirements of the DSM Code. Delegation of the audit function to recognised organisations will only be considered under exceptional circumstances on a case by case basis. Merchant Shipping Notice MSN 1869 (M) and Marine Guidance Note MGN 536 provide owners and operators with both an introduction to the Code and guidance towards application for certification.

1.4 Index of documents

The following documents are relevant to the DSM Code and provide guidance to owners and operators of what the code expects of them in terms of practice, accountability and the maintenance of records etc.

- MSN 1869 (M);
- The Inland Waters Passenger Ship Code;
- The Small Seagoing Passenger ship Code;
- MGN 536;
- The Merchant Shipping (Domestic Passenger Ships) (Safety Management Code) Regulations 2001 (SI 2001 No.3209).

1.5 Definitions

“**International Safety Management (ISM) Code**” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the International Maritime Organization (IMO) by Resolution A.741(18), as may be amended by the Organization (1.1.1 of the code).

“**Company**” means the owner of a ship or any other organization or person such as the manager, who has assumed the responsibility for operation of the ship.

“**Safety Management System (SMS)**” means a structured and documented system enabling Company personnel to effectively implement the Company’s Health, Safety and environmental Protection Policy, which signifies that the Company and its shipboard management operate in accordance with the approved SMS.

“**Safety Management Audit**” means a systematic and independent examination to determine whether the SMS activities and related results comply with planned arrangements, whether these arrangements are implemented effectively and whether they are suitable to achieve the objectives of the DSM Code.

“**Observation**” means a statement of fact made during a Safety Management Audit and sustained by objective evidence (1.1.8 of the code).

“**Objective evidence**” means quantitative or qualitative information, records or statements of fact pertaining to safety or to the existence and implementation of a SMS element, which is based on observation, measurement or test and which can be verified.

“**Non-conformity**” means an observed situation where objective evidence indicates the non-fulfilment of a specified requirement of the DSM Code.

“**Major non-conformity**” means an identifiable deviation which poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action and includes the lack of effective and systematic implementation of a requirement of this Code.

“**Designated Person**” is defined in Section 5 of the DSM Code.

“**Ro-Ro passenger ferry**” means a seagoing passenger vessel with facilities to enable road or rail vehicles to roll on and roll off the vessel and which carries more than twelve passengers.

“**Anniversary date**” means the day and month of each year that corresponds to the date of expiry of the relevant document or certificate.

“**Convention**” means the International Convention for the Safety of Life at Sea, 1974, as amended.

“Ships Codes” means the requirements of either The Inland Waters Passenger Ship Code or The Small Seagoing Passenger Ship Code.

“Operator” means the company, which is defined as the owner or other person assuming responsibility for operating the ship.

2 Chapter 2 - The Domestic Safety Management Code

2.1 The Safety Management System (SMS)

2.1.1 General

- 2.1.1.1 The merchant shipping (domestic passenger ships) (safety management code) regulations came into force on 1st November 2001. This section applies to all domestic passenger ships operating under this code except those ships required to or electing to comply with the ISM code.
- 2.1.1.2 The Code aims to support and encourage the development of a safety culture within the industry whilst improving compliance with other requirements and best practice. The Code requires that Companies establish safety and pollution prevention objectives and that they develop, implement and maintain a Safety Management System (SMS) and a systematic approach to the safe management of ships by those responsible, both ashore and afloat.
- 2.1.1.3 The purpose of a safety management code is to establish a common standard for the safe operation of passenger ships employed in the domestic trade. It is recognised that no two operations are the same and that vessels vary in size and nature. They also operate under a wide variety of conditions and locations. For these reasons the Code is based upon general safety principles and objectives and is expressed in such terms as to facilitate application to a broad range of ships and operations.
- 2.1.1.4 The Code describes the objectives of developing a safety management system and how to implement it effectively.
- 2.1.1.5 The SMS allows a Company to measure its performance against parameters set within a documented system. This will enable a Company to identify areas for improvement in safety practice and pollution prevention measures. The effective implementation of a safety culture should lead to an improvement in safety consciousness and safety management skills.
- 2.1.1.6 References to specific paragraphs in the Code (in these instructions) follow the same order as the paragraphs in MSN 1869. These instructions should always be read and utilised in conjunction with MSN1869 and MGN536.
- 2.1.1.7 It should be noted that DSM systems should take into account cyber security risk management in accordance with the objectives and functional requirements of the DSM Code. Owners and Operators are to be encouraged to take account of cyber risks and that these risks are appropriately addressed in safety management system. (Reference Maritime Cyber Risk Management in Safety Management Systems - Resolution MSC.428(98)). The associated guidance which needs to be referred to are - Guidelines on Maritime Cyber Risk Management (MSC-FAL.1/Circ.3). DfT have produced a Code of Practice for cyber security for ships which would be useful for companies.

2.1.2 Objectives

2.1.2.1 The objectives of safety management are to ensure a simple and cost-effective means of:

- Ensuring safety on board.
- Preventing human injury and loss of life.
- Preventing pollution and
- Complying with applicable regulations and rules.

2.1.2.2 Each operator shall develop and implement safe practices which include the following:

- Procedures to ensure safe operation of ships in compliance with relevant rules.
- Lines of communication between personnel, ashore and afloat, with regard to additional requirements and local byelaws.
- Procedures to prevent pollution.
- Procedures for reporting accidents; and
- Procedures for responding to emergency situations.

2.1.2.3 The company's Safety Management System (SMS) should provide for the above procedures. These may either be part of the SMS manual or separate procedures. During the audits on board, these procedures need to be reviewed and verified for effectiveness.

2.1.2.4 While reviewing the procedures, auditors should be guided by incidents / accidents / deficiencies on board the vessel or on-board any other vessels in the fleet, so that the relevant procedures could be scrutinised.

2.1.3 Company policies

As a minimum the Company or Operator should develop and display policies addressing the following Areas:

2.1.3.1 Health, safety and environment

2.1.3.1.1 This must address the issues of health, safety and the environment as they affect the company and its staff, both ashore and afloat. Such a policy might read along the following lines:

2.1.3.1.2 “The policy of (name of Company) is to conduct its activities taking full account of the health and safety of its employees and of all persons using or connected with the Company. In implementing this policy, (name of Company) will ensure that the [ship] is, at all times, properly maintained and operated by qualified personnel in full compliance with relevant legislation. In particular the [Co,] will carry out an assessment of the risks to the health and safety of workers and others affected by [the undertaking] and will take the necessary measures to minimise the risks identified.”

2.1.3.2 Drugs and alcohol

2.1.3.2.1 Where alcohol is served on board, the policy should also stipulate that no alcohol will be served to persons under 18 years of age.

2.1.3.2.2 In assessing the effectiveness of such Policies, surveyors should be guided by the following:

- Merchant Shipping (Prevention of Pollution by Garbage) regulations 2020 (S.I. 2020/0621).
- MSN 1807 (M+F) - The Merchant Shipping (Prevention of Pollution by Sewage and Garbage from Ships) Regulations 2008.
- The Merchant Shipping (Prevention of Oil Pollution) Regulations 2019(S.I. 2019/0042).
- Merchant Shipping (Health and Safety at Work) Regulations (S.I. 1997/2962)
- Code of Safe Working Practices for Merchant Seafarers (COSWP).
- MGN 306, Designing and Operating Smaller Passenger Vessels; Guidance on Meeting the Needs of Persons with Reduced Mobility.

2.1.3.2.3 The policy statement(s) should be clear and concise, with emphasis being placed on the Company's commitment to the policies. It should identify a strategy by which the Company aims to achieve its policy objectives and include methods to encourage improvement in safety awareness and safety management skills. The policy should be endorsed by the Company's top management.

2.1.4 Responsibilities

2.1.4.1 It is necessary to document responsibilities and authorities so that personnel involved in the SMS know what is expected of them and to ensure that the safety and environmental functions have been allocated.

2.1.4.2 The Company's documented management system should contain clear descriptions of their responsibilities and authorities together with the reporting lines of personnel within the company structure. Schematics or flowcharts to document lines of authority and inter-relations between roles would be acceptable

2.1.4.3 The Master's responsibility shall be laid down so that there is no misunderstanding. They have the overriding authority to make decisions regarding the safety of the ship and persons on board. To ensure that there is no ambiguity regarding the authority of the Master, there shall be a simple written statement to this effect. Assistance shall be available ashore from the company at all times.

2.1.5 Designated person

2.1.5.1 To ensure the safe operation of each ship and to provide a link between the Company and those on board, every Company, as appropriate, should designate a person or persons ashore having direct and independent access to the highest level of management. The responsibility and authority of the Designated Person or persons should include monitoring the safety and pollution prevention aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied, as required.

2.1.5.2 In particular, the Designated Person shall: a) take such steps as are necessary to ensure compliance with the Safety Management System; b) ensure that proper provision is made for the ship to be adequately manned, equipped and maintained, relating to safety applicable to the ship; c) should be suitably qualified or experienced in operations or management of the system and be fully conversant with the Company's safety and environmental protection policies and Safety Management System.

2.1.6 Personnel and training

2.1.6.1 It is the responsibility of the company to ensure that personnel are trained appropriately for the tasks they are expected to undertake, and that the personnel understand the relevant regulations and rules. The company is required to provide a Training Manual (paper or electronic), documenting as a minimum:

- the relevant qualifications for the Master and crew.
- training appropriate to their designated duties for all crew.
- required levels of medical fitness.
- Instructions for conducting drills (type, periodicity etc.)
- Records of all drills and training exercises, crew qualifications and medical fitness certification.

2.1.6.2 Prior to the first occasion of working on the ship, each employee must receive appropriate familiarisation training and proper instruction in on-board procedures. This familiarisation training should be reviewed periodically to ensure that all crew always remain familiar with on board procedures and responsibilities.

2.1.7 Procedures to ensure safe operation of ships

2.1.7.1 Some of the regulations and rules applying to domestic passenger ships operating under this code are listed in paragraph 7 of MSN 1869. The company should draw up simple procedures to ensure that safe working practices are carried out on-board. These may be in the form of checklists.

2.1.7.2 All ships shall be provided with a Training and Instruction Manual, available to all crew members. It may include instruction manuals from manufacturers of the equipment, where appropriate, but must explain in detail as a minimum, the following:

- Donning of lifejackets.
- Boarding, launching, and clearing life-saving appliances from the ship.
- Illumination of life-saving appliance launching areas.
- Use of all life-saving appliances and equipment.
- Recovery of persons from the water.
- General fire safety practice and precautions related to the dangers of smoking, electrical hazards, flammable liquids and similar common shipboard hazards.
- General instructions on fire-fighting activities and fire-fighting procedures including procedures for notification of a fire and use of manually operated call points.
- Meanings of ship's alarms.
- Operation and use of fire-fighting systems and appliances, including fire doors, fire and smoke dampers; and
- Escape systems and appliances.

2.1.7.3 During the audit, surveyors should ensure that crew are completely familiar with on-board procedures and that they are able to follow these procedures in an emergency situation by means of a drill or other suitable means.

2.1.8 On-board procedures

2.1.8.1 While shipboard operations will vary from ship type to ship type, it is suggested that plans and instructions for the following operations should be documented:

- General shipboard operations.
- Vessel specific operations (e.g. Operating locks)
- Port operations – including mooring operations and berthing.
- Preparation for sea.
- Conduct of the voyage.
- Preparation for arrival in port.
- Emergency response organisation.

2.1.8.2 The auditor(s) should verify that the operations established by the Company are pertinent, comprehensive, and relevant to vessel operations.

2.1.8.3 Simple procedures should be developed for the operation of the ship. For example, these could include:

- Testing of equipment, including steering gear, prior to commencing a passage.
- Navigation and handling of the ship.
- Maintenance routines.
- Bunkering operations.
- Watertight integrity.
- Stability of the ship.
- Conduct of passengers and crew while on board.
- Plans and procedures for responding to emergencies.

2.1.8.4 For some ships, it might be appropriate to have permanently exhibited checklists, e.g. in the wheelhouse for navigational items. Alternatively, in a smaller ship, the record could take any suitable form. Surveyors should ensure that on board procedures reflect the operation of the vessel and that emergency response procedures are relevant and understood by crew on board.

2.1.9 Procedures for reporting accidents

2.1.9.1 All accidents and near misses shall be recorded and reported to the operator, who shall investigate such incidents and implement corrective action, with the aim of improving safety and pollution prevention. In addition, the Master shall inform the Marine Accident Investigation Branch (MAIB) of all reportable accidents in accordance with the Merchant Shipping (Accident Reporting and Investigation) Regulations 2005 (SI2005/881).

2.1.9.2 Any incident or defect which affects the safety of the ship is also to be reported to the MCA at the earliest opportunity. Whilst the DSM title only refers to accidents it should be emphasised that accident includes “any incident or defect which affects the safety of the ship” and shall be reported and acted upon. If during audit it is found that the ship or company has not recorded or reported an accident, incident or defect affecting safety it might be inferred that there is lack of understanding into the meaning or intent of this section and is certainly grounds for further investigation.

2.1.10 Emergency preparedness

2.1.10.1 Procedures for responding to emergency situations should be established by the Company.

2.1.10.2 For example, these may include:

- Fire,
- Collision,
- Grounding,
- Violent act,
- Main propulsion or steering failure,
- Abandon ship and man overboard.

2.1.10.3 At every audit, a drill needs to be carried out to assess the effectiveness of these procedures (bearing in mind that the procedures may take the form of a checklist). As many crew as possible should be involved in the drill and the drill should be followed by questioning of crew members to ensure effective implementation and understanding of emergency procedures. Drills and records of such activities should be recorded in the aforementioned training folder and should include the recording of any learning points from the drill/exercise and the required action to rectify/reinforce the learning points. Surveyors should also ensure that the vessel have an approved Search and Rescue Plan on board as required by MSN1878 and that such plans are up to date.

2.1.11 Equipment

Equipment on board all vessels should be maintained and inspected. Maintenance and inspection intervals should be determined by the owner/operator, but these intervals should also be pay attention to manufacturer specified maintenance procedures and intervals. Critical equipment should be identified, and special attention should be paid to such equipment (including contingency plans in case of failure). All maintenance activities should be recorded (electronically or paper based) and should be reviewed as part of any audit activities.

2.1.12 Review

Every DSM system should be subject to continual improvement and should be demonstrated through an active review of the Safety Management system as a whole. Companies should demonstrate their continued commitment to improving the SMS and as a minimum should undertake a review of the safety management system of all ships at least once in every three years. Such reviews should be documented, forming part of Company procedures, and should take account of all SMS related activities and the lessons learnt during operations. It would be expected that shipboard personnel participate (or at least should have input) into this process.

2.1.13 Certification

- 2.1.13.1 An “initial audit”, to assess compliance with the Code, shall be carried out by MCA for each ship in conjunction with the Passenger Certificate (PC) survey. The period of validity of the Domestic Safety Management Certificate will normally be for 5 years and is subject to a mid-term audit which will be carried out by the MCA on each ship at the same time as either the 2nd or 3rd PC survey. The on-board audit will be conducted when the vessel is operational in all aspects. It may be necessary for the vessel to be taken out of service for the duration of the audit including the drill.
- 2.1.13.2 The validity of the certificate is also subject to annual self-assessments of the company/office and each ship, carried out by the operator/owner. These self-assessments shall be submitted to the MCA prior to attendance for the PC survey each year. It is essential that this process is completed and attendance for the PC survey should be conditional to receipt thereof. The self-assessments may be conducted either by the owner/operator or an accredited person from outside the company.
- 2.1.13.3 An initial audit of the company/office is also to be undertaken prior to the issuance of any Passenger Certificate. The scope of the initial company/office audit shall be to the scope specified for a vessel audit (as far as practicable). Where any MCA audit is unsuccessful, normal enforcement procedures shall be followed to ensure that deficiencies are rectified. When MCA has grounds to indicate that the annual self-assessments are not in accordance with the SMS, the company will be subject to an additional verification audit. Guidance on carrying out the self-assessments is in MGN 536.

3 Chapter 3 - The audit and certification process

3.1 The audits for compliance

The audits will be carried out to verify compliance with the DSM code in accordance with these instructions. It is recommended that surveyors become familiar with ISM auditing practices to establish the underlying principles for verifying that a Company's SMS complies with the requirements. Use of the applicable Aide Memoir to assist the Auditor in carrying out the audit is encouraged. The Auditor may refer to and complete the Aide Memoir during the course of the audit but is not expected to retain any completed Aide Memoir's.

3.2 The domestic safety management certificate

3.2.1 A Domestic Safety Management Certificate will be issued: -

- a) When the shore side aspects (if applicable) of the Safety Management System are found to fully comply with the requirements of the DSM Code.
- b) When a successful "initial ship audit" has been completed on each ship.

3.2.2 After the successful audits above a Domestic Safety Management Certificate (DSMC) will be issued to each ship.

3.3 Document review (MCA)

3.3.1 For a new operation or operator, a new Safety management system will be required. A document review will need to be conducted by the local Marine Office prior to any audits taking place at the operator offices or on board one of the operator's ships. The purpose of the document review is to verify that the company has a documented Safety Management System that complies with the requirements of the DSM Code.

3.3.2 The document review should be conducted prior to the application for the PC and DSMC to provide sufficient time to draft and implement any major revisions that the review may disclose. This timescale will allow the owner/operator to rectify any deficiencies in the SMS that would otherwise inhibit the issue of the DSMC.

3.3.3 The document review may be conducted at the company premises or, alternatively, the SMS documentation may be sent to the MCA for assessment if practicable.

3.4 The office / company audit (MCA)

3.4.1 The Company audit will normally take place every 5 years and will vary in scope depending on the number and size of vessels and complexity of operations. Safety management documentation may be maintained either in the office or on board the vessels. As a minimum, the followings areas and records should be scrutinised;

- The Safety Management Manual.
- The Company Policy document.
- All Crew Certification and training records.
- Passenger counting and recording records.
- On-board maintenance records (checklists).
- All other maintenance and repair records including that carried out by shore-side contractors.
- Certification appertaining to above including machinery, life-rafts, fire
 - equipment etc.
- Accident and incident reports and any remedial actions taken thereof.
- Evidence of company reviews of SMS, self-assessment reports and closeouts thereof. Evidence of a Proactive designated person.
- Garbage record.
- Code of Safe Working practices.
- Records of Drills and Safety Training.

3.5 On board audits (MCA)

There are 2 on-board audits in the 5-year period: - The **Initial** and an **Intermediate**. Ideally these should be conducted in conjunction with the PC Renewal survey, but can be done separately, however the full scope of audit should always be covered if done separately. Many owners will opt to do this in conjunction with the PC renewal survey, to save on Surveyor travel time. The surveyor will need to witness the crew perform a drill at each of these audits.

3.6 Self-assessment (company)

A Self-Assessment is a self-check or internal audit which must be done annually. The Owner is encouraged to develop his/her own operations specific audit plan, which must include all of the elements of the Code and shall ensure all aspects of the operation are included. Prior to each PC renewal survey, the owner shall provide a completed self-assessment (or internal audit report). The surveyor shall examine and accept the self-assessment as evidence of compliance and should ensure the self-assessment or internal Audit report has robustly covered the required scope prior to endorsement of the Passenger certificate.

3.7 Additional audits (MCA)

3.7.1 Other scenarios where MCA will require additional Audits are:

- When a vessel is new or when an operator assumes responsibility for a vessel which is new to the company. In such cases, a short-term certificate valid for 3 months is to be issued initially which is followed up by a full audit within 3 months.
- When a Major Non-conformity has been raised against the operator or vessel an additional audit needs to be carried out within 3 months.
- If the self-assessment or internal audit report has not been sent to the MCA prior to the annual PC Renewal Survey. The PC should also be withheld until the self-assessment is received.

3.7.2 All the above audits would need to be paid for by the operator.

3.8 Audit findings, rectification of findings and close out

3.8.1 Audit findings

During a company or vessel audit a surveyor may raise any one of the below listed findings.

The Description of the Audit Findings (Observations, Non-Conformities or Major-Conformities) shall be recorded in Pelorus survey report, providing details of the Deviation from the Requirement and Objective Evidence.

3.8.1.1 Observations

An observation means a statement of fact made during a safety management audit and substantiated by objective evidence. The Company/vessel master is not required to propose corrective action taken for an observation, but it should be stressed that if not addressed, an observation may in future lead to a non-conformity.

3.8.1.2 Non-conformities

A non-conformity means an observed situation where objective evidence indicates the non-fulfilment of a specified requirement of the DSM Code or where there is non-fulfilment of the Company DSM system. A non-conformity should normally be closed out within three months from the date of the audit.

3.8.1.3 Major non-conformity

- 3.8.1.3.1 A major non-conformity means an identifiable deviation which poses a serious threat to the safety of personnel, the ship or to the environment that requires immediate corrective action or the lack of effective and systematic implementation of a requirement of the ISM Code.
- 3.8.1.3.2 A major non-conformity during vessel audits requires downgrading to a non-conformity to allow the vessel to continue operating. An additional audit (timed to verify the effectiveness of the corrective action) is required within 3 months to close out a downgraded major non-conformity.

3.8.2 Rectification of findings

To address any audit finding raised, the company or master is required to identify the root cause and propose corrective action to rectify the audit finding in consultation with the surveyor. The root cause and corrective action shall be recorded, under the 'Description of Rectification' section of the Pelorus survey report. The corrective action then needs to be implemented within 3 months for the audit finding to be closed.

3.8.3 Close out of non-conformities

- 3.8.3.1 In the event of non-conformities being raised, a timescale for the implementation of corrective action, not exceeding three months, should be agreed with the company. If a Company cannot complete a corrective action within the maximum time of three months, the non-conformity is to be closed out and another raised (National Audit Office instructions). Once the Company have implemented the corrective action and have supplied objective evidence to the surveyor, the non-conformity may be closed.
- 3.8.3.2 When a major non-conformity is raised corrective action must be implemented before a new certificate can be issued or an existing certificate endorsed. A major non-conformity may be downgraded to a non-conformity as soon as appropriate initial corrective action has been taken. Corrective action and an agreed timescale for closure against this non-conformity may then be agreed.
- 3.8.3.3 A significant number of non-conformities identified against the same section of the DSM Code may be issued as a single major nonconformity. Where a major non-conformity is downgraded during any audit, at least one additional audit should be carried out within 3 months to verify that effective actions are taken.

3.8.4 Confidentiality

The audit findings are confidential between the Company and the Administration, a statement to the effect being made at the commencement and conclusion of the audit. The surveyor should not sign any of the Company's confidentiality forms or contracts.

3.9 Reporting and issuance of certificates

3.9.1 Certificates

- 3.9.1.1 The Domestic Safety Management Certificate shall be issued to each vessel separately. The certificate will be issued at the same time as the corresponding Passenger certificate although it shall be valid for 5 years.
- 3.9.1.2 When an intermediate audit has been completed at year 2 or 3 of the Cycle, the Domestic Safety Management Certificate shall be endorsed.
- 3.9.1.3 The Certificate will have a box for endorsement of the date of the Company / Office Audit. For multi-Vessel fleets this Audit could occur at any point during the duration of the 5-year certificate.
- 3.9.1.4 When a Company/Office Audit is completed, it will be necessary to endorse ALL vessel certificates with the date of the Company/Office Audit and also to endorse all controlled MCA file copies.

3.9.2 Reporting

3.9.2.1 Responsibilities of the surveyor

The responsibilities of the surveyor include the following: -

- Liaison with the company
- Ensuring fees are collected
- Reviewing the company documentation (including Annual Self-Assessment)
- Preparing the Audit Plan (if suitable depending on the size of vessel and number of crew) and sending to the Company
- Co-ordinating the audit
- Conducting opening and closing meetings
- Agreeing corrective actions and the timescale for completion
- Preparing or endorsing the certificate(s) for issue
- Preparing the audit report within 15 days of audit completion (as far as practicable).
- Complete File Minute
- Complete all filing on SharePoint (Minute, Opening & Closing Meeting, Interviewee List, Audit Report and Pelorus survey report)
- Sign off any open work orders for closure

3.9.2.2 Audit reporting

The Audit report (MSF 5573) should include the following: -

- Ship and Company details
- Audit details and a list of the audit team members and observers (if any)
- Auditor's remarks on assessment of compliance with each section of the DSM Code
- Auditor's comments capturing operations of the Company and positive & negative findings
- In addition to audit report (MSF5573), the Surveyor shall also Complete:
 - Pelorus report (MSF 1602)
 - Audit plan, if applicable
 - Opening & Closing meetings and Attendees/Interviewees list (ANNEX A)

3.9.2.3 Fees

It should be noted that all aspects of the audit will be chargeable, which will consist of the:

- Office audit (initial and renewal) and;
- Ship audit (initial, intermediate and renewal).

ANNEX A. Opening & closing meetings and attendees & interviewees list

The following representatives of _____ were present for the audit as highlighted below.

Opening Meeting Time: _____ **Date:** _____

Closing Meeting Time: _____ **Date:** _____

| Sr. No | Name: | Opening | Closing | Interviewed |
|--------|-------|--------------------------|--------------------------|--------------------------|
| 1 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15 | _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |