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Chapter 9 – Resolving Non-Conformities

References: [ISM Code] *International Safety Management Code* (2018)

1. Introduction

1.1 Regulatory Backdrop:

The ISM Code intends that our SMM include procedures ensuring that non-conformities, accidents, and hazardous situations are reported, investigated, and analyzed. We are to also establish procedures for the implementation of corrective actions, including measures intended to prevent recurrence.

1.2 Our Objective:

Our objective is to resolve non-conformities with corrective actions that prevent recurrence, with the overarching goal of continually improving our safety and pollution prevention.

1.3 Definitions:

Corrective Action: action taken after a non-conformity, accident, or hazardous situation has been reported, investigated, and analyzed, including measures intended to prevent recurrence.

Corrective Action Plan (CAP): a written plan designed after root cause investigation to take action to fix a problem and prevent its recurrence. It specifies measurable and time-bound tasks intended to permanently remove the root cause.

Corrective Action Report (CAR): a report describing how the CAP has been implemented, evaluated for effectiveness, and verified by a management representative. It also tracks the life of the correction from discovery of the non-conformity to its closure.

Major non-conformity: an identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action or the lack of effective and systematic implementation of a requirement of this [ISM] Code.

Non-conformity: an observed situation where objective evidence indicates the non-fulfilment of a specified requirement.

Objective Evidence: quantitative or qualitative information, records, or statements of fact pertaining to safety or to the existence and implementation of an SMS element, which is based on observation, measurement, or test, and which can be verified.

Observation: Per the ISM Code - a statement of fact made during a safety management audit and substantiated by objective evidence. We add to this definition: *a finding or condition, which left uncorrected, might develop into a non-conformity. Observations may be submitted by the crew as well as through audit.*

Remedial Action: the immediate action taken to mitigate or contain the problem until any further corrective action is taken.

Root Cause: the fundamental, over-arching reason a particular non-conformity has occurred, which, if removed, would prevent that problem's recurrence. Identifying it requires systematically analyzing designs, processes, systems, or structure to move beyond superficial fixes.

VMS: Vessel Management System - an integrated system used for our marine operations, document repository, preventative maintenance system, regulatory compliance and safety documentation, marine personnel management, vessel logs, and performance reports. Our VMS is named *Helm Connect*.

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2. Policies

2.1 System:

We shall maintain an effective system of discovering and effectively resolving non-conformities. Our process for resolving non-conformities shall:

- find the root cause of each serious problem,
- fix the failure by corrective action, and
- effect change in our policies and procedures to keep the same thing from happening again.

This system shall be designed for the purpose of preventing recurrence and for improving safety, not for assigning blame or deflecting responsibility. An electronic VMS that is immediately accessible afloat and ashore shall be an acceptable system backbone.

2.2 Discovery:

Non-conformities shall be discovered or identified through (1) regular planned internal and external audits and inspections, (2) regular planned maintenance, and (3) safety incident, near-miss, or observation, as outlined below.

- From audit: **Chapter 12** discusses our audit/verification program. Per that chapter we shall undergo regular internal and external audits with reports of findings. We shall also conduct and report management visits to our vessels for inspections and assessments. Findings, observations and suggestions from these reports shall be reviewed by shoreside management to address any non-conformities and for opportunities for improvement.
- From maintenance: **Chapter 10** covers our maintenance program. Its stated objective is to specify, conduct, and continually improve a planned maintenance program for all vessel equipment to ensure that each vessel is properly maintained for safe and reliable operation. Per that chapter, findings, observations and suggestions from its preventative and corrective maintenance reports shall be reviewed by shoreside management to address any non-conformities and for opportunities for improvement.
- From incident: **SOP-GEN-006** covers our incident reporting procedures. Reporting non-conformities derived from safety incidents, near-misses, or safety observations requires a strong workplace culture motivated solely by our objectives. We shall promote this culture and encourage our people to be vigilant and watchful, reporting flaws and failures for our mutual benefit and improvement.

2.3 Resolution:

Once a non-conformity has been discovered, we shall engage the following actions to resolve:

- Remedial Action: Action may immediately be taken to mitigate and contain severity. This action shall be reported for management review. Management review shall consider whether further corrective action is warranted. Otherwise, the matter shall be closed.
- Root Cause Analysis: If further corrective action is required, action shall commence with a formal analysis to determine root-cause using the tools and templates contained in the VMS. These tools shall be used to identify all underlying causes. The analysis shall examine each contributing factor and the reasons those factors developed or persisted.
- Corrective Action Plan: A plan that specifies effective, lasting corrective measures and target dates shall then be developed, implemented, and tracked to closure. A report shall be issued that describes how the CAP was implemented, completed, evaluated for effectiveness, and verified by a management representative.

The sequence of specific actions for resolving a major non-conformity are outlined in Section 4.

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3. Responsibilities

3.1 Master:

- Each vessel's Master is responsible for the prompt identification, reporting, and initial management of non-conformities onboard in accordance with the SMS.
- The Master ensures initiation of remedial actions, and implementation of approved CAPs in coordination with the Chief Engineer and senior officers.
- Working closely with the Port Captain, the Master monitors progress, maintains records, and supports verification and closure of non-conformities to ensure compliance and continuous improvement.

3.2 Port Captain:

- The Port Captain supports Masters and Chief Engineers in the effective management and resolution of non-conformities across assigned vessels. This includes ensuring proper reporting, facilitating the timely submission of CARs, and assisting in the development and implementation of approved CAPs.
- Working closely with onboard leadership, he monitors progress, documents actions within the VMS, verifies (or delegates verification of) corrective action effectiveness, and supports the formal closure of non-conformities, ensuring continuous improvement and compliance with the SMS.

3.3 Port Engineer:

- The Port Engineer supports the Master and Chief Engineer in the identification and resolution of technical non-conformities in accordance with the SMS and coordinates with the Port Captain to ensure their closure.
- He provides technical guidance for root cause analysis and assists in the development and implementation of effective CAPs.
- Working closely with onboard management and the Port Captain, he monitors progress, verifies technical corrective actions, and coordinates with the Port Captain on the closure of non-conformities to ensure compliance and continuous improvement.

3.4 DPA:

- The DPA provides oversight and support to ensure the effective management and resolution of non-conformities in accordance with the SMS.
- He ensures that reporting systems are functioning effectively, monitors the timely submission and handling of CARs, and verifies that appropriate CAPs are developed and implemented.
- Working with the Port Captain, Port Engineer and shipboard management, he monitors overall effectiveness, ensures compliance, and supports the proper closure of non-conformities, driving continuous improvement across the fleet.

3.5 Systems Manager:

- The Systems Manager is responsible for overseeing the effective administration and performance of the Company's non-conformity reporting and corrective action processes, including within the VMS. This includes ensuring proper reporting, timely submission of CARs, and the development and implementation of approved CAPs across the fleet.

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- The Systems Manager monitors the progress within the VMS, supports users across ship and shore, and ensures that actions are tracked, recorded, and executed in accordance with the SMS, and otherwise promoting efficient workflows and continuous improvement.

3.6 Operations Director:

- The Operations Director provides overall leadership and oversight of the Marine department's operational performance, ensuring the effective implementation of non-conformity reporting and corrective action processes across the fleet.
- Working with the DPA and Senior Management, he ensures compliance with the SMS, drives continuous improvement, and promotes a strong safety and accountability culture throughout the organization.

3.7 Senior Management:

- Senior Management provides executive oversight and strategic direction for the Company's operations, ensuring the overall effectiveness of the SMS and the non-conformity resolution process.
- Senior Management reviews high-level performance and trends in CAPs, ensures appropriate resources and support are in place, and holds the Operations Director and DPA accountable for the effective resolution of non-conformities across the fleet.
- Through leadership and governance, Senior Management promotes a culture of safety, compliance, and continuous improvement.

4. Resolution Sequence

4.1 Root Cause Analyses:

- Define: State the exact non-conformance, its symptoms, how it impacts safe operations, and what could be the consequences if left unchecked.
- Gather: Investigate to gather facts, logs, timelines, and metrics related to the development of the non-conformity.
- Search: Search and sort the gathered materials for flaws, events, and conditions that lined up to cause the failure. Causal factors can include parts that failed, human errors, and flaws in policy or process.
- Identify: Find and identify the deepest underlying source that, if fixed, stops the problem from happening again.

4.2 Corrective Action:

- Plan: Work together as crew members guided by vessel management to develop a CAP. List exact tasks needed to fix the problem and stop it from happening again. A method for verifying an effective fix is outlined. The CAP is submitted to the Port Captain for implementation approval within 30 days.
- Implement: A timeline is set for progressing from one step to the next, all the way to completion. Responsibilities are assigned, implementation steps are carried out, and progress is documented in the VMS. Target dates may be changed if approved by the Port Captain.
- Verify: The Port Captain arranges for verification of the effectiveness of the implemented CAP. If verified as effective, the non-conformity is deemed resolved. If the CAP was deemed not effective, this resolution sequence is repeated.

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4.3 Corrective Action Report:

- Generate: Summarize root cause, corrective actions, and effectiveness of implemented fix.
- Verify: DPA or delegate confirms that the CAP has indeed been properly implemented and that the non-conformity has been fully resolved.
- Close: Non-conformity is formally closed in the VMS.

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