



SEMS Summary: Moving Ahead to Reduce Risk Offshore

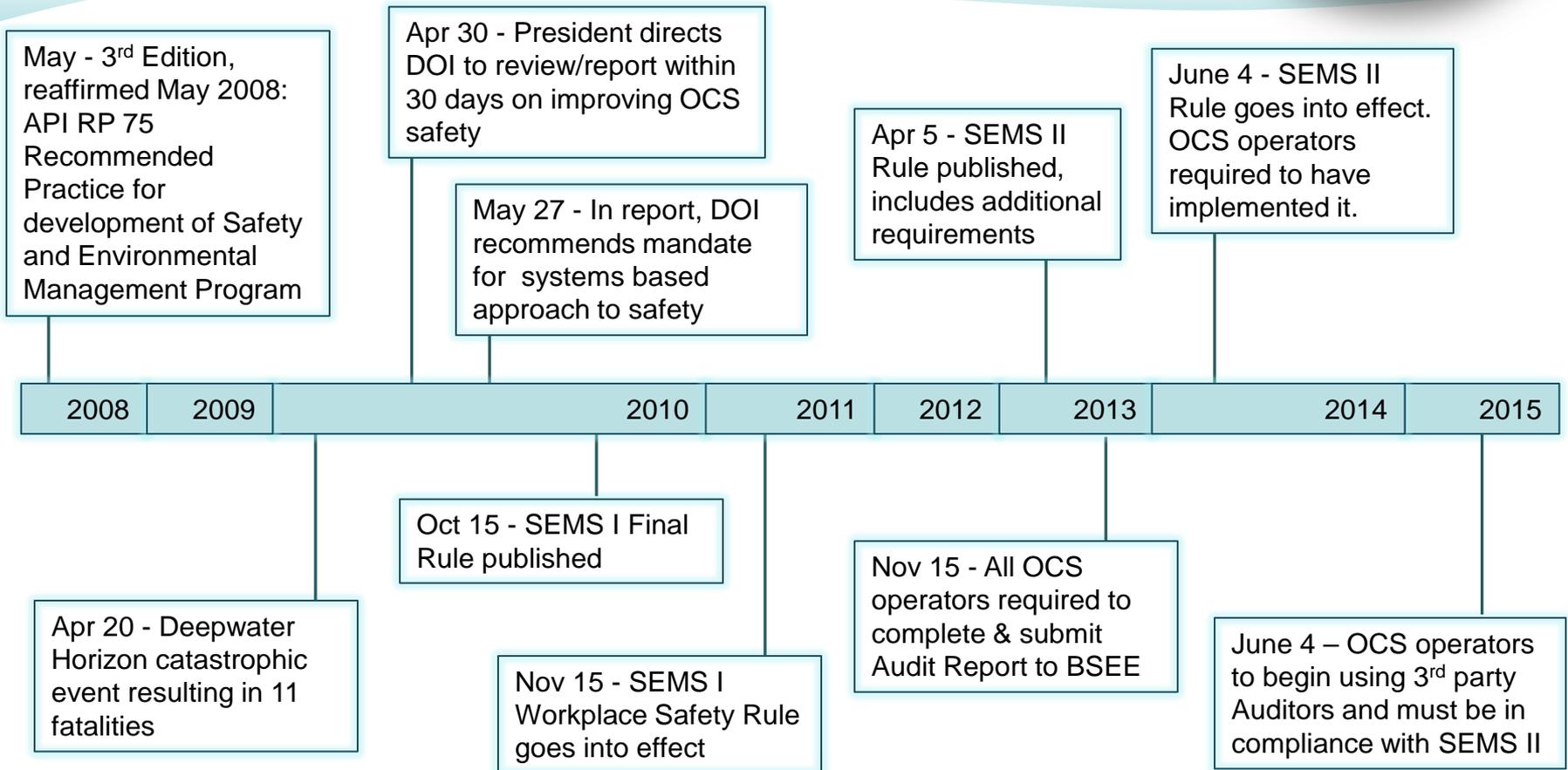
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Agenda



- **Background – Safety and Environmental Management System (SEMS)**
- **First Audit Cycle: Observations**
- **Moving Ahead**

Progression of SEMS



First Audit Cycle: Observations



- Findings confirm that OCS operators have implemented a SEMS – Compliance rate of 96%.
 - 84 OCS operators subject to Subpart S
 - 447 offshore facilities visited during audits

- Significant variability in:
 - Understanding of management systems
 - System maturity
 - Audit report format

Variance by Operators



- Operators with existing internal safety and environmental management systems mapped elements to CFR requirements.
- SEMS gave opportunity to evaluate internal programs and processes against government standard.
- Operators without existing SEMS had to develop and implement formal program.
- Focus was on fulfilling the requirements of Subpart S rather than developing a tool to manage operating, health, safety, and environmental (HSE) risks.

Trends in Performance



- ***Emergency Response*** and ***Auditing*** were identified as best understood, documented, communicated, and implemented SEMS elements.
- There appears to be a strong focus on historically established SEMS elements, e.g., ***Training*** and ***Safe Work Practices***.

Gaps in Development and Implementation



- ***Hazard Analysis*** and ***Management of Change*** are not being consistently implemented as tools to manage risks.
- ***Pre-startup Review*** observations showed lack of implementation of procedures.
- Relationship between SEMS elements is not always understood (e.g., Hazard Analysis should feed Pre-startup Review)
- SEMS elements are documented but triggers for implementation are inconsistent (e.g., MOC)

Audit Process Observations



- Wide variation in audit report format, content, and methodology.
- Audit protocols often focused on assessing compliance, not risk management.
- Many audit protocols do not guide auditors to evaluate levels of ***documentation, implementation, AND effectiveness.***

Moving Ahead



- Subpart S, a performance-based regulatory model, is driving both BSEE and industry to modify their expectations and approaches
- First cycle of SEMS implementation was geared towards establishing of documented system
 - Second cycle needs to do more
- Varying levels of SEMS maturity will require auditors to modify their approach
 - Investigate how to incorporate a SEMS maturity measure or performance indicator into audits



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