Agenda

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


Apr 20 - Deepwater Horizon catastrophic event resulting in 11 fatalities

Apr 30 - President directs DOI to review/report within 30 days on improving OCS safety

May 27 - In report, DOI recommends mandate for systems based approach to safety

Apr 5 - SEMS II Rule published, includes additional requirements

Oct 15 - SEMS I Final Rule published

Nov 15 - SEMS I Workplace Safety Rule goes into effect

Nov 15 - All OCS operators required to complete & submit Audit Report to BSEE

June 4 - SEMS II Rule goes into effect. OCS operators required to have implemented it.

June 4 – OCS operators to begin using 3rd party Auditors and must be in compliance with SEMS II
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
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.