



Non-compliances and Non-conformances Corrective and Preventative Action Procedure

AZSPU-HSSE-DOC-00040-2

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Scope:	AzSPU Operating areas	Document Administrator:	AzSPU HSE MS Document Co-ordinator
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1.0 Purpose/Scope

The purpose of this document is to define the process for managing non-compliance with regulatory requirements, and non-conformance with the requirements of the AzSPU Health, Safety and Environmental (HSE) Management System (MS), and to implement a system for tracking corrective and preventative actions.

This controlled procedure applies to AzSPU Operating areas (OAs) engaged in the drilling, production, and / or transportation of oil and gas.

Revision of this controlled procedure and the operational controls detailed therein will be in accordance with Document Management Procedure (Document [AzSPU-HSSE-DOC-00025-2](#)).

2.0 Definitions

Refer to Document [AzSPU-HSSE-DOC-00021-2](#) HSSE Definitions for definitions common to this HSSE Management System (HSSE MS). Definitions specific to this procedure are included below.

Non-compliance – Failure to meet applicable regulatory requirements (as defined in the Legal and Regulatory Requirements Procedure Document [AzSPU-HSSE-DOC-00038-2](#)).

Non-conformance – A deviation from established procedures, programs and other arrangements related to the HSSE MS.

Corrective action – Action to eliminate the cause of a detected non-conformance or non-compliance.

Preventative action – Action to eliminate the cause of potential non-conformance or non-compliance.

HSE Incident – An accident or other unforeseen occurrence including a failure of equipment, process or facilities, with the potential to cause a significant HSSE impact. Major incidents are managed in accordance with the Incident Management System and associated procedures.

Tr@ction – A web based system used across the Group enabling businesses and functions to record health, safety, security and environmental data.

Local Action Tracking System (ATS) – A localized system for recording health, safety, security and environmental non-compliance / non-conformance data that isn't uploaded to Tr@ction.

Responsible Party - The person who is responsible for an Action Item entered into the Tr@ction database or local ATS; typically an employee or contractor with financial authority and access to resources necessary to effect implementation of an assigned Action Item, and to document closure of the Action Item.

OpenTalk – A system that allows users to anonymously report concerns relating to health, safety, security, environmental, or social issues. Contact details are as follows:

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3.0 Specific Requirements

- ISO 14001:2004 – 4.5.3 Non-conformity, corrective action and preventive action.
- OHSAS 18001:2007 – 4.5.3.2 Nonconformity, corrective action and preventive action
- OMS Essentials (2.3.3; 4.1.5; 4.4.2; 6.4.4; 7.1.6; 8.2.7)

4.0 Key Responsibilities

AzSPU HSE & Engineering VP / Operating Area (OA) Managers:

- Providing adequate resources and leadership support for the implementation of all required measures to ensure the effective implementation of this procedure.
- Reviewing audit findings, and major or repeated cases of non-compliance / non-conformance, and identifying opportunities to improve performance.

AzSPU Functional Team Leaders / Managers:

- Recording and managing non-compliances and non-conformances at AzSPU level.
- Maintaining a team Action Tracking System (ATS) to manage non-compliances / non-conformances and corrective actions that are not uploaded into Tr@ction (if ATS is required in addition to Tr@ction).
- Issuing corrective action requests to, and obtaining notification of completion from, Responsible Parties, and subsequently updating the team ATS (if ATS is required in addition to Tr@ction).
- Analysis of AzSPU non-compliance / non-conformance data to identify root causes and trends.
- Periodically reporting non-compliances / non-conformances to AzSPU ALT.
- Consultation with operating sites to finalise AzSPU wide audit findings and corrective actions prior to upload into Tr@ction.

OA/Asset HSE/H&S/ E Team Leaders / Managers:

- Recording and managing non-compliances / non-conformances at OA/Asset level.
- Consultation with the Asset/Facility Operations Manager to finalise non-compliances / non-conformances, corrective actions, responsibilities, and close out dates for completion, prior to upload into Tr@ction or the local ATS.
- Maintaining the OA/Asset level ATS to track implementation of all corrective and preventative actions that are not uploaded into Tr@ction.
- Issuing corrective action requests to, and obtaining notification of completion from,

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- Responsible Parties, and subsequently updating the OA/Asset level ATS.
- Analysis of OA / Asset non-compliance / non-conformance data to identify root causes and trends.
- Periodically reporting non-compliances / non-conformances to AzSPU ALT
- Directing the development, maintenance and use of site inspection checklists or other mechanisms as appropriate to ensure that non-compliances / non-conformances and corrective and preventative actions are identified.
- Encouraging all staff to report HSE non-compliances / non-conformances.

Asset/Facility Operations Manager:

- Consultation with the OA/Asset HSE/H&S/ E Team Leaders / Managers to agree non-compliance / non-conformance corrective actions, responsibilities, and close out dates for completion, prior to upload into Tr@ction or the local ATS.
- Accountable for employees under their supervision implementing the required corrective and preventative actions in Tr@ction and the local ATS.

Employees:

- Reporting HSSE non-compliances / non-conformances and incidents.
- Responsible Parties for corrective and preventative actions in Tr@ction and local ATSs are responsible for undertaking these actions and confirming completion of tasks.

5.0 Procedure

5.1 Identification of HSE Non-Compliances / Non-conformances

Non-compliances and non-conformances may be identified by any employee or contractor working for, or on behalf of, AzSPU. Employees or contractors who become aware of a non-compliance / non-conformance may notify any of the following:

- Their supervisor
- Site HSE Advisor
- AzSPU Functional Team Leaders / Managers or OA/Asset HSE/H&S/ E Team Leaders / Managers
- Other HSE-Designated Person(s)
- AzSPU Legal Advisor
- OpenTalk (for anonymous reporting)

Non-compliances / non-conformances may also be identified directly by site supervisors, HSSE Advisors, etc, during internal and external audits and inspections, and during monitoring of operational conditions.

5.2 Recording and Managing HSE Non-compliances / Non-conformances

There are two systems available within the AzSPU for recording and managing non-compliances / non-conformances, namely:

- Tr@ction
- Local Action Tracking Systems (ATSs)

These are discussed in more detail below.

Tr@ction:

The AzSPU Tr@ction Findings and Action Tracking Procedure details responsibilities and processes for uploading findings and action items into the Tr@ction system ([AzSPU-HSSE-DOC-00119-2](#)).

Guidelines for using Tr@ction and a complete list of data that requires upload into the Tr@ction system is provided in the AzSPU Tr@ction User's Guide ([AzSPU-HSSE-DOC-00119-A1](#)).

Local Action Tracking Systems (ATSs):

Non-compliance / non-conformance issues that are recorded in local Action Tracking Systems (rather than the Tr@ction system) include those resulting from:

- Asset / jobsite audits and inspections
- Weekly permit to work inspections
- Housekeeping observations
- On-site monitoring – particularly routine operational discharges / emissions that are out of compliance with defined specifications.

Following determination of the required corrective / preventative action the Responsible Party is notified, a schedule for completion agreed, and the relevant ATS updated. ATSs held at AzSPU level are managed by the relevant AzSPU Functional Leader / Manager (if ATS is required in addition to Tr@ction). ATSs held at OA/Asset level are managed by the OA/Asset HSE/H&S/ E Team Leaders / Managers.

Local ATSs include as a minimum:

- Non-compliance / non-conformance category (as a minimum categorized as either: **Critical** – non-compliance / non-conformance has a direct and immediate HSSE&S impact that requires immediate corrective action. **Non-critical** – non-compliance / non-conformance that does not present an immediate HSSE impact).
- Required corrective or preventative action.
- Responsibility.
- Date for completion.
- Status.

Local ATSs are retained on a shared drive to enable rapid access for all authorized personnel and auditors.

5.3 HSSE Non-compliance / Non-conformance Follow up and Reporting

Responsible Parties for Action Items in Tr@ction, and the local ATSs, are responsible for confirming completion of tasks, once actioned.

In the case of Tr@ction, an internal messaging feature generates automated e-mails in line with the follow-up and communication processes of the system. This includes notification to Responsible Parties regarding Action Items that need to be closed, and notification to Supervisors of overdue Action Items.

The AzSPU Functional Leaders / Managers and the OA/Asset HSE/H&S/ E Team Leaders / Managers regularly check the status of corrective / preventative actions in their respective local ATSS to verify that the scheduled Action Items are being undertaken.

Audits and inspections include a check on the status of corrective actions identified during the previous audit or inspection. The auditor/inspector will also consider how effective the corrective action has been in addressing the non-compliance / non-conformance. Where the required corrective action has been ineffective, alternative actions will be recommended.

Compliance performance is periodically reported by the OA/Asset HSE/H&S/ E Team Leaders / Managers to the applicable OA Management Team. In addition, the AzSPU Functional Leaders / Managers provide a summary of performance to AzSPU ALT during management review meetings.

5.4 External Notification

Reporting of routine operational discharges / emissions that are out of compliance with defined specifications (e.g. legislative permits or other standards) will be externally reported to the regulators in accordance with OA / Asset specific agreements, permits and directives. Existing reporting documentation and processes (e.g. Annual Environmental Reports, Monthly Environmental Reports, End of Well Reports, Non-Drilling Discharge Reports, etc) will be used to submit this information.

It should be noted that releases of **untreated** effluents (e.g. sewage, produced water, hazardous drainage, etc), resulting from treatment plant failure / maintenance, will be reported as a material release in accordance with the Internal & External Material Release Reporting & Notification Procedure ([AzSPU-HSSE-DOC-00075-2](#)).

6.0 Key Documents/Tools/References

- Local Action Tracking Systems (ATSS)
- Tr@ction
- AzSPU Tr@ction Findings and Action Tracking Procedure ([AzSPU-HSSE-DOC-00119-2](#))
- AzSPU-HSSE-DOC-00035-2 AzSPU External Audits and Self Assurance Programme overview
- AzSPU Tr@ction User's Guide ([AzSPU-HSSE-DOC-00119-A1](#))
- AzSPU Internal and External Material Release (Spill) Reporting & Notification Procedure ([AzSPU-HSSE-DOC-00075-2](#)).

Revision Log

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Revision Date	Approver	Originator	Revision Details
January 9, 2006	Gunther Newcombe	Yuliy Zaytsev	Initial issue.
January 30, 2007	Gunther Newcombe	Yuliy Zaytsev	Recording of non-compliances in the Tr@ction system incorporated into procedure. Clarification provided regarding information to be uploaded in Tr@ction and information to be uploaded in local ATSS.
October 10, 2007	Yuliy Zaytsev	Rebecca Heath	Distinction between non-compliance and non-conformance added to procedure. Clarification provided regarding external notification of out of specification discharges / emissions.
February 18, 2009	AzSPU Safety & Compliance Manager (Yuliy Zaytsev)	AzSPU HSSE MS Senior Advisor (Rebecca Heath)	Position titles updated throughout. Open talk contact details corrected. Clarification provided regarding the management of non-compliances and non-conformances at AzSPU level: - Responsibility reassigned to all AzSPU Functional Team Leaders / Managers (rather than just AzSPU HSE MS & Compliance Manager). - Local ATSS now optional at AzSPU level if Tr@ction is considered sufficient for tracking closure of non-compliances and non-conformances.
March, 01, 2010	AzSPU Safety & Compliance Manager (Yuliy Zaytsev)	AzSPU HSSE MS Team Leader (Idrak Nazarov)	Annual update with minor changes
April 1, 2010	AzSPU Safety & Compliance Manager (Yuliy Zaytsev)	AzSPU HSSE MS Team Leader (Idrak Nazarov)	Doc reviewed and the validity extended to 30 th of July. Doc will be reviewed again on this date to incorporate any changes resulting from reorganization.
November 4, 2010	AzSPU Regulatory Compliance and Environment Manager	AzSPU HSE Compliance Team Leader	Doc reviewed and the validity extended to 4 th November 2011.