

PASO/PMS AUDIT/SURVEILLANCE MANUAL

-PAM-



POLICY & PROCEDURES

R3 2010

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PREFACE

This PASO Audit/Surveillance Manual (PAM) has been prepared for the use and guidance of PASO Inspectors (Airworthiness and Flight Operations) in the performance of their duties. It is emphasized that all matters pertaining to an inspector's duties and responsibilities cannot be covered in this manual. Inspectors are expected to use good judgment in matters where specific guidance has not been given. Changes in aviation technology, legislation and within the industry will necessitate changes to requirements.

Comments and recommendations for revision/amendment action to this publication should be forwarded to the General Manager - PASO

Alvin Tuala
General Manager – PASO

Date:

1. OVERVIEW

PASO is a service provider of technical aviation safety and security advice to PASO member states, and this manual will assist States in implementing their respective safety oversight system.

The purpose of PASO Audit / Surveillance Manual (PAM) is to:

- Identify the responsibilities of audit /surveillance inspectors
- Provide guidance and procedures for:
 - a. Surveillance planning
 - b. Conducting surveillance
 - c. Recording and reporting surveillance activities
 - d. Analysing surveillance data
 - e. Assist the PMA CAA with resolution of safety issues

The PAM has been developed to provide PASO inspectors with procedures to be used during the planning, conduct & reporting of operational audits / surveillance.

PAM is a part of the PASO management system and supports the development of a States surveillance program that should achieve:

- Effectiveness
- Consistency
- Efficiency
- State's ICAO safety oversight obligations

The Pacific Member State regulatory authorities sets its standards by promulgating regulatory requirements, PAM will be the tool used by PASO to assist the states to determine the level of industry compliance with the States regulatory requirements. Information obtained from PASO activities can be used to:

- Improve compliance activities
- Provide feedback to the aviation industry
- Educate the aviation industry
- Provide feedback to amend the States regulatory framework.

2. PAM (PASO Audit/Surveillance Manual) OVERVIEW

Pacific Member State (PMS) Authority

Set the Regulatory Standards



PMS Aviation Industry

The aviation industry at work in a variety of approved activities
in accordance with the regulatory standard

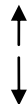


PAM (PASO Audit/Surveillance Manual)

PASO/STATE develop Yearly Audit/Surveillance Plan (**YAP**)
Conduct surveillance & audit function on behalf of the States.
Report and analyse results

←Actions→

Reports to State Authorities
Industry education
Recommendations to States to amend regulatory framework



PASO/PMS AUTHORITY Resolution of Safety Issues

Participate with Authorities on resolution of safety issues
Incident/Accidents/Statistics
Analysis and resolutions of audit/surveillance reports

3. AUDITS PROCEDURES

3.1 Audits in general

Audits will be carried out based on a scheduled or risked base model plan detailed elsewhere in this manual. (Systems Audit)

Between audits inspectors will carry out **surveillance inspections** to confirm that company-auditing procedures are producing the necessary in house control results. (Product Inspection)

The end product of audit / surveillance is the report of findings which is prepared for the record of the States Regulatory Authority. Non-compliances and system deficiencies are reported therein, with arrival at conclusions and resolutions of safety issues

Recommendations deemed appropriate are made for:

- The companies senior management (contained in the audit report).
- The State Authority providing oversight to the company (confidential separate report not given to operator)

Education should form a large part of the audit /surveillance process. This should be done in consultation with industry and the States. Education should focus on how to comply with regulations and the establishment of a safety management system. (SMS)

3.2 Why conduct Audits / Surveillance

1. Initial Certification

Prior to the issue of a Certificate all areas of the company will be audited to ensure the required standards can be met. (*Entry Control*)

2. Audits/Surveillance (scheduled & unscheduled)

An operator is audited on a systematic basis to ensure compliance with standards and conditions of their certificates.

3. Request for Additional Authorities (*variations*)

Prior to conducting additional authorities audits / surveillance may be conducted.

4. Special Purpose Audit

An audit not previously identified as a requirement but deemed necessary due to operational circumstances

4. Surveillance Planning

4.1 Introduction

Planning is based on risk analysis for each permission / certificate type. PASO in conjunction with the States should use the planning matrix (*refer to Chapter 4.3*) as a guide to the level of surveillance.

PASO/PMS Authority should then consider the level of maturity of permission / certificate holders to establish a yearly audit / surveillance plan (YAP) that is presented to the States for ratification.

This plan should form the basis of the States obligations under ICAO to provide **Continued Surveillance Obligations** (The provision of processes used to ensure that the aviation community continues to function at minimum levels of competency and compliance.) This is one of the **Eight Critical Elements of a Safety Oversight System**. (Refer to ICAO Doc 9734 Part A)

4.2 Types of Surveillance / Audits

Scheduled Audit: Audits planned and carried out at a frequency based on the segment of the industry and the perceived risk. Refer to PASO/STATE YAP

Scheduled Surveillance: defined as any unannounced scheduled activity generated from the PASO/STATE YAP used to ensure that the aviation community continues to function at minimum levels of competency and compliance

Unscheduled surveillance: any unscheduled activity conducted in response to some trigger. States would need to authorise such surveillance and this may result in the amendment of the PASO/STATE YAP.

This activity is triggered by:

- Receipt of safety significant information – for example reported air safety incidents /accidents, airworthiness defect reports, confidential reports, etc
- Information concerning a third party obtained during scheduled surveillance.
- Assessment of other intelligence information.

Special Audit. Audits based on safety intelligence and are planned in addition to the YAP.

Ramp Inspection: Inspection of aircraft including documentation, equipment and procedures associated with that operation.

Spot Checks: Product Inspection and includes Ramp Inspection, En route Inspection, Port Inspection, Facility Inspection etc. May be carried out as part of a Scheduled or Special Audit or may from part of the YAP.

4.3 Planning Matrix

Type	Description	Audit Frequency	Estimates days per audit(s)	Audit Type & Report Format
Part 121 Airline AOC issued under Part 119	> 30 pax seat configuration or payload > 3410kg	6 monthly	15 days (5 plan 5 onsite 5 report)	TBA
Part 125 Airline AOC issued under Part 119	10 – 30 pax seat configuration or payload < 3410kg & MTOW>5700kg	12 monthly	15 days (5 plan 5 onsite 5 report)	TBA
Part 135 General Aviation AOC issued under Part 119	9 pax seat or less or MTOW < 5700kg & Helicopters	12 monthly	8 days (3 plan 2 onsite 3 report)	TBA
Part 129	Foreign Air Transport Operator	12 monthly	1 day (Ramp Check)	TBA
Part 141	Aviation Training Organisations	36 monthly	5 days (2 plan 2 onsite 1 report)	TBA
Part 145	Aircraft Maintenance Organisations	12 monthly	Up to 15 days based on size of organisation	TBA
Part 149 Supports Parts 103- 106	Aviation Recreation Organisations	24 monthly	Up to 8 days based on size of organisation	TBA
Part 139 Aerodromes	Certification operation & use	12 monthly	Up to 8 days based on size of organisation	TBA
Part 109 Regulated Cargo Agents	Certification operation & use	12 monthly	Up to 3 days based on size of organisation	
Part 171 – 175	TBA	TBA	TBA	TBA
Part 140	Aviation Security Services	See AVSEC surveillance manual	See AVSEC surveillance manual	TBA

4.4 Operator Maturity

The following Matrix should be used by PASO/PMS Authority to determine the level of maturity of an operator to assist in determining the frequency of audit / surveillance and type of surveillance / audit that should be included in the YAP.

Areas of Application	Mature / Developed	Proficient	Basic Competency (new entrants)
Characteristics	Demonstrated aim to achieve high standards above minimum required. Ability to manage change. Demonstrated record of compliance with out regulatory involvement.	Meets minimum standards required or higher. Demonstrated record of compliance with some regulatory involvement.	Meets minimum standards required. Require significant level of regulatory involvement. A new entrant.
Management	Pro-active Safety Culture. A standard above those required & continues to strive to improve standards.	Positive Safety Culture. Strives to improve standards.	Focus more on commercial aspects; minimum standards only. Accepts minimum standards only.
Effect of Financial Pressure	Careful considered analysis of consequences for safety of financial pressures.	Adequate analysis of consequences for safety of financial pressures.	May allow financial pressures to impact on safety judgements.
Staff	Good induction, training, discipline & safety culture	Adequate attention to most staffing issues that impact on safety.	Ad hock approach to staffing.
Systems	Well-documented and proven systems critical to safety & constantly refined.	Some documentation less sophisticated systems needing further refinement.	Minimum systems required by legislation.
Quality Safety Management System (SMS)	Effective integrated quality system	Basic elements of a quality system but not fully integrated.	Basic elements, no method of integration.
Risk Rating	LOW	MEDIUM	HIGH

4.5 Operator Risk Assessment

The following matrix is used to rate an operator against risk indicator groups. The score for each operator will provide guidance for PASO in determining the YAP.

A simple score is allocated against each indicator using a risk rating of 1 – 3.

Total score is assessed with High total score indicating more risk.

This is intended at this stage to be a tool only to assist PASO in the development of its YAP. (There is potential here to develop a system for risk base assessment at this stage these matrixes for risk & maturity are intended to be guides only in making determinations)

Risk Rating: (1 = Low) (2 = medium or Unknown) (3 = High)

Operator:		Date:	
Operations	Type & complexity of operations, number of bases, number of aircraft & types, age of aircraft, route structure, aerodrome standards		
Support	Maintenance, support / sub –contract organisations, operational support structures		
Area of Application	Indicators	Rating	
Corporate /Finance	Company Structure, reporting lines, performance of business, industrial action, public complaints, company ownership/ shareholders, financial position, quality management system		
Compliance	Audit / surveillance history, safety programs		

Score:

4.6 Yearly Audit/ Surveillance Plan (YAP)

The planning / operator maturity / operator risk assessment matrixes are tools used to produce an excel spreadsheet master audit / surveillance plan (YAP) on a 3 yearly rotation.

Year: 2010	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter		
Operator /Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Year: 2011	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter		
Operator /Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Year: 2012	1 st Quarter			2 nd Quarter			3 rd Quarter			4 th Quarter		
Operator /Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

4.7 Inspector Program Plan

Based on the YAP and personnel resources an Inspector Program is produced. Lead auditor should be appointed as part of the program plan.

Inspector: Year: XXXX Operator /Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Note: These matrixes should be reference coded and be called up in a document control manual.

4.8 Monthly Planning Review of YAP

This process should take place to review overdue and upcoming scheduled audits /surveillance as identified from the YAP. Additional requirements as directed by the State regulatory authorities should be included to amend the YAP.

Review YAP



Assess and allocate resources to audit / surveillance tasks



Appoint Lead Auditor and audit team



Determine Scope (high level) with Lead Auditor

5. AUDIT / SURVEILLANCE ELEMENTS

5.1 Definitions

Element: The area or system with in an organisation that is used as the basis for defining the audit scope during planning and preparation. Elements are used during the audit for verification of legislative requirements and effectiveness of the supporting processes.

Procedure: Specified way to carry out a task or process.

Process: A systematic sequence of operations subject to a set of conditions that transform inputs to outputs.

5.2 FLIGHT OPERATIONS

GENERAL:

Management Structure
Flight Operations Control & Administrative Facilities

DOCUMENTATION:

The Operations Manual
Minimum Equipment List (MEL)
Flight & Duty Program
Returned Flight Documentation
Crew Licences
Medical Certificates
Certificates, Approvals, Permissions, Authorities

DANGEROUS GOODS:

CREW TRAINING:

Training Aspects
Simulators
Safety & Emergency Procedures Training
Cabin Crew Training

FLIGHT DISPATCH:

Fuel Planning
Weight & Balance Control
Flight Documentation
Flight Inspection

5.3 AIRWORTHINESS

GENERAL:

Management Structure
Current Undertaking
Maintenance Agreements
Sub-contract Agreements

DOCUMENTATION:

Maintenance Manual
Engineering Manual
Maintenance Licences

AIRCRAFT SURVEYS:

QUALITY CONTROL & ASSURANCE:

MAINTENANCE:

Maintenance Facilities
Line Maintenance Support
Technical Library
Maintenance Equipment, Test Equipment & Tooling Control

AIRWORTHINESS CONTROL PROCEDURES:

Maintenance Procedures
Maintenance Schedule
Concessions & Variations
Defects & Occurrences
Mandatory Occurrence Reporting
Instructions to Staff
Mandatory Airworthiness Directives
Manufactures Technical Information
Spares /Stores
Instructions to Crew
Aircraft Refuelling
Preparation of Aircraft for Flight
Repairs and Modifications
Engine Condition Monitoring
Contracting & Subcontracting arrangements

5.4 AERODROMES (TBA)

5.5 170 Series SERVICES (TBA)

5.6 AVIATION SECURITY (see - PASO Security Surveillance Manual)

6. AUDIT / SURVEILLANCE PREPARATION

Audit surveillance preparation should commence up to one month prior to the task depending on the size and complexity of the organisation.

6.1 Scope of the Audit

Confirm high-level scope from monthly planning review and determine the priorities of the task taking into consideration:

- Type of organisation and activities
- Previous audit / surveillance history
- Organisation changes
- Permissions, Directions, Authorisations, Exemptions & Exclusions
- Safety information
 - Air Safety Reports
 - Accidents / incidents
 - Defect reports
 - Airworthiness Directives
- Pre Audit Fact Finder Questionnaire

Using this information select the appropriate elements and confirm the final scope of the audit and any matters that may require a special focus.

6.2 Audit Notification Letter

In conjunction with the States a notification letter should be sent to the organisation along with the Pre Audit Fact Finder Questionnaire that should ideally be returned to PASO prior to the commencement of the audit. This may assist in establishing the audit scope.

The letter should contain the following:

- Date / Location of Audit
- Audit team members
- High level scoping details
- Any special requirements

6.3 Confirm with the Organization

After the audit notification letter has been sent and the Pre Audit Fact Finder Questionnaire received by PASO:

- Timing of Audit
- Availability of key personnel
- On site logistics; office accommodation, security and OH&S issues
- Entry and Exit Meeting details

6.4 Review the Operator's documentation for compliance with State legislation & develop worksheets (information /reference/questions) based on the planned scope.

6.5 Additional requirements for the conduct of audit / surveillance

- Travel / accommodation arrangements are made
- If more than one inspector required;
 - A team Leader will be nominated
 - The timing of the audit
 - Entry meeting requirements
 - When the team will meet during the audit
 - Audit method to be used
 - Who will be responsible for what parts of the audit scope?
 - Have worksheets been completed?
 - Exit meeting conducted

7. CONDUCT OF AUDIT / SURVEILLANCE

7.1 Introduction

There are three main steps to conducting audits / surveillance;

- 1) **Observing:** May lead you into areas that may or may not require further investigation.
- 2) **Interviewing:** The success of an interview will depend on your own skills. Each scenario will be different, decide if you need to be formal or informal with your approach.
- 3) **Recording & Documenting:** Do not rely on your memory and record relevant details immediately. Record findings and observations and they must be complete in detail for use in confirming and substantiating what you have seen and heard.

These steps are interrelated and there is no specific sequence to be followed.

7.2 Stages in the conduct of audits / surveillance

The type of surveillance conducted will determine the processes required for the conduct. But in general the following provides some guidance to provide a consistent structured approach to be used by PASO inspectors.

- **Conduct an entry meeting:** Clarify audit scope with and obtain an overview from the organisation that may impact on the scope.
- **On Site familiarisation:** An informal process that will assist in developing a relationship with the organisation and obtaining a general awareness of their activities.
- **Physical conduct of audit / surveillance:** observing, interviewing, and recording & documenting.
- **Periodic Meetings:** Required if more than one inspector used. Allows the audit team to exchange information and fine-tune the audit / surveillance and discuss findings.
- **Pre exit audit team meeting:** Allows the audit team to analysis the results and determine what will be presented at the exit meeting
- **Exit Meeting:** Allows the audit team to present the results of the audit / surveillance and discuss the process for responses to the findings.

Note: The audit report will be presented to the State with recommendations from PASO. The report should then formally be presented to the operator by the State.

Minutes should be recorded during the entry / exit meetings with any matters of significance recorded.

7.3 Findings

Deficiencies must not be recorded unless objective evidence exists to support them.

Findings must relate to a specific requirement and must be supported by objective evidence. It is essential to identify the finding by document, specification, time, place or person.

Deficiencies and or non-compliances should be classified as follows:

- **Non-Compliance Notice:** Form used as a notification of a legislative breach.

Note: The Non Compliance Notice should be attached to a report but also referenced in the report as a separate attachment.

- **Non Conformance/Observations:** Are contained in the body of a report to draw attention to latent conditions or deficiencies that exist that cannot be attributed to a legislative requirement.

Findings must be recorded on worksheets. Checklists are developed by PASO to cover various phases of audits / surveillance.

At the conclusion of the audit / surveillance activity the lead auditor (if applicable) will ensure that all reports / findings have been received from team members and are then collated to produce a report in accordance with PAM procedures.

7.4 Finding Notice & Corrective Action Form

When the findings of the audit are received from the team member these are then collated

8. AUDIT / SURVEILLANCE REPORTING

All reports must be addressed to the PMS Regulatory Authority responsible for the operator.

Note: These audit / surveillance reports should be reference coded and be called up in a document control manual.

8.1 Audit Report

An audit report should include the following:

- Auditee details

- Audit details
 - Date / Location
 - Purpose of Audit

- Scope / Coverage of audit

- Audit team members
 - Lead Auditor

- Executive Summary
 - Background
 - Summary
 - Conclusions, Recommendations & Evaluation

- Index of Findings

- List of Findings against audit elements

- Non Conformance Notice (reference coded)

- Observations

- Any supplementary reports

8.2 Aircraft Survey Report

Used by airworthiness inspectors during an aircraft inspection should include the following:

- Date / Location

- Inspectors name

- Aircraft details (operator/registration /type/serial no.)
- Brief details of defect or damage. (include a regulatory reference as to the non-conformance.
- The form should include a section which if applicable to the defect directs the aircraft operator that certain maintenance will need to be carried out prior to further flight.

8.3 Ramp Inspection Report

Used by flying operations inspectors during an operational phase of an aircraft on the ground. It should include the following:

- Date / Location
- Inspectors name
- Aircraft Registration details
- Crew Details
 - Licence
 - Medical
- Aircraft library details
 - Flight manual
 - Flight crew operating manual
 - Checklists
- Flight Plan details
- Load sheet
- Weight & balance calculations
- Maintenance release details
 - MEL
- Location & serviceability of emergency equipment

Note: If aircraft survey report & ramp inspection reports are used during a single inspection (event) the inspectors are to co-ordinate their findings. These reports may be used as supplementary findings to an audit report or an individually tasked event.

8.4 Spot Check Report

To be used by flying operations or airworthiness inspectors conducting a product inspection. This may be associated with an audit but normally an individually tasked event. It should identify the product inspected details, en-route inspection, port inspection, facility inspection, documentation inspection etc. (there is scope to develop individual product identification reports with checklist)

Non-conformance notices should be included if required.

8.5 Written Communications

The ability to communicate in a manner that will be exactly understood is a skill in which almost all of us can improve. This is especially true of the written word whether it be a letter or report.

The main objectives of reporting should be to:

- To inform.
- To influence.
- To instruct.
- To control.
- To record.

Clear writing reflects clear thinking:

- Put the message in the first sentence, summarise the topic that needs to be conveyed. Then provide relevant background information.
- Use short snappy sentences to convey one thought at a time
- Remove “but & “and” from sentences if possible
- Remember the key elements for action –what, where, when, why, how and who.
- Use familiar words and keep it simple and short!

8.6 Quality of Reports

Design a report to permit a company executive to take first action as quickly as possible, such as:

- **Discard it** as requiring no action on their part.
- **Refer it** to the person who will take action.
- **Act upon it** him/herself –or at least read on.

Sequence of presentation is important refer to audit report contents. Executives are more interested in the product of the reporters thinking than their process.

Reports should be:

- **Correct** – accurate statements based on definite fact.
- **Concise** – clear short presentation of data.
- **Civil**- effective but not offensive

They should not be:

- **Controversial**- present data in words or phrases that create resentment.
- **Verbose**- beat a subject to death and is difficult to follow.
- **Questionable**- opinions and statements not supported by facts.

8.7 Evaluation / Conclusions / Recommendations

These represent the opinions of the inspector / writer.

9. AUDIT / SURVEILLANCE GUIDANCE MATERIAL

The following questions are designed to provide PASO staff with a tool to aid in the development of audit / surveillance scoping, worksheets and assist in the evaluation process during any type of report writing.

The primary function should be to identify areas of vulnerability so that appropriate corrective action and preventative measures can be taken before there is an incident or an accident.

If these questions are posed to aviation industry managers they should be able to provide a rationale for the answer. Inability to articulate the reason for a policy / process or procedure is a warning flag. Unless there is a specific regulatory breach then there may not be a right or wrong answer. This material should be used to stimulate thought about many factors that effect flight safety.

Questions will need to be tailored to suite the relative size of an organisation. When used during the audit surveillance process a questioning technique should be used that does not provide the respondent with an opportunity to provide a closed answer.

Example; “Do flight attendants receive comprehensive initial and recurrent safety training? The answer may well be yes or no. A better way to phrase the question would be; “Describe the initial training that flight attendants receive during their induction and then recurrent training.”

Information gained may assist in the assessment of operator risk and could be used as a further planning tool in the PASO YAP.

Management & Organisation

- Does the company have a formal written statement of corporate safety policies and objectives?
- Is this information documented in the operations manual?
- Is there evidence that management supports this process?
- Does the company have a safety / quality department or designated officer?

- Does this department / officer report to senior management or a board?
- Does the company support the publication of a safety report or newsletter?
- Is there a formal system for communication of safety issues and information between management and the staff?
- Does the company participate in any industry safety activities?
- Does the company actively and formally investigate incidents & accidents?
- Does the company have a confidential, non-punitive incident reporting system?
- Is this data maintained and then analysed to determine trends?
- Does the company use outside resources to conduct audits or safety reviews?

Management & Corporate Stability

- Have there been significant or frequent changes in ownership or senior management within the past two years?
- Have there been significant or frequent changes in the heads of departments within the past two years?
- Have any of these people resigned because of disputes about safety matters, operating procedures or practices?

Financial Stability of the Company

- Has the company recently experienced financial instability, a merger / takeover / major reorganisation?
- If applicable was consideration given to safety matters during any of the above situations?
- Is the company proactive in using any form of technology to meet safety objectives?

Management Selection and Training

- Is management selected from inside or outside the company?
- Is there a formal management selection process and do new management receive formal safety training?
- Is there a formal evaluation of managers and is their implementation of safety programs a consideration?

Work Force

- Have there been recent lay offs by the company?
- Is a large number of staff employed on a part-time or contract basis?
- Is there open communication between staff and managers?
- Is there a high rate of staff turnover in flight operations and maintenance?
- Is the overall experience of staff low or declining?

Fleet

- ❑ Is there a company policy concerning cockpit standardisation with in the company fleet?
- ❑ Do pilots / flight operations personnel / maintenance staff participate in fleet acquisition decisions?

Relationship with the State Regulatory Authority

- ❑ Does the company or state regulatory authority set company safety standards?
- ❑ Does the company set higher standards than those required by the state regulatory authority?
- ❑ Does the company have a constructive, cooperative relationship with the state regulatory authority?
- ❑ Does the state regulatory authority recognise licences from other countries?

Operations Specifications

- ❑ Does the company have formal flight dispatch or flight following?
- ❑ Does the company have any special dispatch requirements (ETOPS)?
- ❑ What criteria are used to determine fuel / route requirements?
- ❑ How is this information distributed to crews?

Operations & Maintenance Training

Training & Checking Standards

- ❑ Does the company have written standards for satisfactory performance?
- ❑ What is the company policy for dealing with unsatisfactory performance?
- ❑ How is this data collected and reviewed for trends?
- ❑ Is there a periodic review of training and checking records for quality control/
- ❑ Are check pilots periodically trained and checked?
- ❑ If applicable are identical performance standards applied to captains and first officers?
- ❑ Are training & checking functions contracted to external organisations?
- ❑ How effective is coordination among the various flight operation divisions (operations / training / standards)?

Operations Training

- ❑ Does the company have a formal program for training and checking instructors?
- ❑ Does the company have any of the following training and checking syllabi?
 - Line –orientated flight training (LOFT)
 - Crew resource management (CRM)
 - Human Factors
 - Wind shear
 - Dangerous Goods
 - Security
 - Adverse weather conditions
 - Altitude & terrain awareness (CFIT)
 - Aircraft performance
 - Rejected T/O
 - ETOPS
 - ILS Cat II or III approaches
 - Emergency procedure training (pilots and flight attendants)
 - International navigation & operational procedures
 - ICAO radio procedures
 - Volcanic – ash avoidance / encounters
- ❑ If TCAS & GPWS/EGPWS are installed are there clearly defined procedures for use and is specific training provided?
- ❑ Are English language skills evaluated and or training provided?

- Are there formal means for modification to training or relevant operational documentation as result of incidents or accidents?

Training Devices

- Are approved simulators available and used for all required training?
- Do simulators include GPWS/TCAS and communication features?
- Has the company established a simulator-training device QA program to ensure that these devices are maintained to acceptable standards?

Flight Attendant Training

- Do flight attendants receive comprehensive initial and recurrent safety training?
- Does this training include hands on use of all required emergency and safety equipment?
- Is the safety training of flight attendants conducted jointly with pilots?
- Does this training include and establish procedures for communication between pilots and flight attendants. (cockpit to cabin)?
- Are any mock up training devices used in this training (emergency exits)?

Maintenance Procedures, Policies & Training

- What is the company policy regarding use of licensed and unlicensed maintenance personnel?
- Does the company provide formal maintenance training for all maintenance personnel & is training conducted on a recurrent basis?
- How is new equipment introduced in to the maintenance organisation?
- Does the company have a maintenance quality assurance program?
- Is hands-on training required or provided for maintenance personnel?
- Does the company use a minimum equipment list (MEL)?
- Does the company MEL meet or exceed the master MEL?
- Does the company have formal procedures covering communications between maintenance and flight personnel?
- Are inoperative placards used to indicate deferred items? Is clear guidance given for operations with deferred items?
- Are designated individuals responsible for monitoring fleet health?
- What trend monitoring programs are in place?
- Does the company have an aging aircraft maintenance program?
- Is there effective communication between maintenance organisations and the operational section? (dispatch procedures) How effective is this communication?
- Does the company use a formal scheduled maintenance program?
- Are policies established for flight and or maintenance personnel to ground an aircraft for maintenance?
- Are flight crewmembers ever pressured to accept an aircraft they believe is not serviceable?
- What procedures are in place for flight crews to ground an unserviceable aircraft?

Scheduling Practices

- What system is used to determine flight & duty limits for pilots?
- Are there any flight & duty limits for flight attendants?
- Are there different limits applied to different types of operations (cargo v passenger)?
- Does the company train pilots to understand fatigue, circadian rhythms and other factors that affect crew performance?
- If required are there on board crew rest facilities & is cockpit napping allowed?
- Are there minimum standards for the quality of crew layover rest facilities/
- Does the company have a system for tracking flight & duty limits/
- Has the company determined minimum crew rest requirements?
- Are augmented crew used on long haul flights?
- Are there duty time limits and rest requirements for maintenance personnel?

Crew Qualifications

- Does the company have a system to record and monitor flight crew currency?
- Does this system include initial qualifications, induction, proficiency checks, recurrent training, airport / route qualifications?
- Are simulator instructors qualified to fly the line?
- Does the company permit multiple aircraft qualifications for line pilots?
- Do company check pilots have complete authority over line pilot qualification without interference from management?
- Does the company have specific requirements for pilot in command and first officer experience when considering pairing during crew scheduling?

Manuals & Procedures

- Does the company have an operations manual and is a copy provided to each crew member?
- Is the manual updated and formally controlled? (review & revision schedule)

Does the operations manual define:

- Minimum number of flight crewmembers?
- Pilot and dispatch responsibilities?
- Procedures for exchanging control of aircraft? (Crew changes / aircraft dispatch from maintenance etc.)
- Stabilized approach procedures?
- Dangerous Goods carriage?
- Required crew briefings for selected operations including cockpit & cabin crew?
- Special departure briefings?
- Quick access runway performance data information?
- Sterile cockpit procedures?
- Use of oxygen?
- Use of checklists?

- ❑ CFIT avoidance procedures?
- ❑ Procedures for abnormal & emergency operational situations?
- ❑ Medical emergencies / bomb threats / hijacking / disruptive passengers?
- ❑ Aircraft de-icing procedures?
- ❑ Go –around and diversion policies including a statement from management that there will be no negative consequences when operationally required?
- ❑ Pilot in command and other crewmembers responsibilities?
- ❑ Procedures for flight planning and load control systems?
- ❑ Wether minima and cross/tail wind limitations and requirements?
- ❑ Is there a system for distribution of time critical information to personnel who need it?
- ❑ What system is in place to ensure that airport facilities are adequate? (NOTAM review / runway conditions / navaid serviceability / fuel facilities)

10.0 RESOLUTION OF SAFETY ISSUES - Corrective Action & Follow-Up

10.1 Introduction

10.1.1 The effectiveness of programmed surveillance relies on the follow-up of corrective actions. The fact that a corrective action is required is a declaration that the participant has been found to be operating below the minimum acceptable standard.

10.1.2 It is the auditee's responsibility to put corrective action into effect by the due date specified by the auditor. It is the auditor's responsibility to monitor the participant's response and to take appropriate action when the date for corrective action is exceeded.

10.2 Policy

10.2.1 The follow-up of corrective actions is the individual responsibility of the auditor who raises the finding.

10.2.2 Where corrective action required by a finding is not put into place by a participant and advice to that effect not received by the PASO auditor by the due date, the participant is to immediately be given a maximum of 10 days to take the action required, after which the Team Leader/PASO Inspector as applicable shall recommend to the PMS CAA action against the participant's aviation document.

10.2.3 It is PASOs policy that only in exceptional circumstances will extensions to due dates be granted. This will require the approval of the Team Leader/PASO Inspector in consultation with the Director of the PMS Authority as applicable.

10.3 Tracking Open Findings

10.3.1 Each Team Leader/ PASO Inspector as applicable shall ensure that each week, they shall review the audit reports logged against them in the Microsoft Outlook calendar database.

10.3.2 The Microsoft Outlook calendar database information shall be reviewed on the Monday of each working week for “Open” findings entered by the auditor as an audit team member;

10.3.3 The PASO Inspector/auditor shall create and retain a desk file containing printouts of “open findings”, letters, emails and faxes requiring action from the participant, and participant responses. This material is to be placed on the PMS CAA file when the outstanding corrective action requires further actions or closure.

10.4 Follow-Up of Overdue Corrective Action

First Follow-Up E-Mail; Fax or Letter

- Generate, in consultation with the PMS CAA, the first follow-up email; fax, or letter as detailed in section 10.2.2. Copy the Director of the PMS on all correspondence.
- The PMS Authority shall immediately, on the Technical advice of the PASO audit team member, send a letter to the participant giving 10 days to take the action required.

Second Follow-Up E-Mail; Fax or Letter

- Before sending the second follow-up E-Mail; fax or Letter the auditor must confirm that confirmation of corrective action has not been received and that the finding is still open.
- 9 days after the first letter is dispatched, those findings which have not been satisfactorily addressed, corrected and closed will be revisited.
- If there is no satisfactory resolution of the open finding received from the participant after this 10 day period, the Team Leader or PASO Inspector/auditor as applicable shall recommend to the PMS CAA action against the participant’s aviation document.

10.5 Finding Notice and Finding Notice Summary

Introduction

Finding Notices and Finding Notice Summaries have been produced to assist PASO member states to track findings and observations raised during an audit. By following the process described below states can close findings with technical confidence and within agreed time frames.

One of the features of the Finding Notice system is that each finding or observation is raised on a separate Finding Notice document. Each Finding Notice is signed by the certificate holder’s CEO, or their representative, at the time of exit meeting

along with an agreed date for corrective action to be taken. This allows the certificate holder to address each Finding Notice independently of each other.

As Finding Notices are addressed by the certificate holder, they are forwarded to the auditor, along with evidence of corrective and preventative action taken. The auditor will then review the actions taken to ensure that they resolve the finding. Once satisfied that the actions are appropriate, the auditor will forward their recommendation to the state CAA to close the Finding Notice. The CAA, once satisfied,, will close the Finding Notice by signing the particular Finding Notice document in the CAA section at the bottom of the document. The CAA will forward a copy of the signed document to the certificate holder and auditor as confirmation of closure.

Both the certificate holder and auditor can track closed findings through updating their copy of the Finding Notice Summary. Once all Finding Notices have been closed by the state CAA, the audit is completed.

Another feature of the Finding Notice system is that findings are analysed for root causes by both the auditor and, where available, in consultation with the quality or safety manager. This gives an opportunity for the certificate holder to address the underlying reason for the finding and to put long term preventative action into place.

The Finding Notice and Finding Notice Summary are designed to be customized to represent individual states. With state supplied electronic logos, PASO can tailor the form for each state. In this way the Finding Notice and Summary forms become a state form, not a PASO form.

It is proposed that states can use these forms for any audit findings, whether they are using PASO auditors, their own auditors or consultant auditors. It will give a consistent look to the aviation industry for state audit findings and observations. More importantly it will give a consistent process for the industry to resolve their findings.

A blank Finding Notice template and Finding Notice Summary are attached at the end of this document.

Description and process

The following section describes the Finding Notice document and Finding Notice Summary.

- 1) Finding Notices are issued for each finding and observation

- 2) The Finding Notice number (FN No) contains 6 fields
 - a) State/certificate holder 3 letter abbreviation/year/audit aviation discipline/audit number for year/finding notice number
 - b) For example T/ACM/10/F1001 represents
 - i. T =Tonga, ACM = Air Chathams, 10 = 2010, F = Flight Operations, 1 = first flight operations audit for this certificate holder for 2010, 001 = first Finding Notice for this audit
 - ii. Audit aviation disciplines include:
 - a. F = flight operations
 - b. A = airworthiness
 - c. S = security
 - d. AD = aerodromes
 - iii. The intent behind building Finding Notice numbers in this way is that each Finding Notice number will be able to be traced to each state, certificate holder, audit and auditor
- 3) The first section contains general information about the audit and auditee and remains the same for each Finding Notice for this particular auditor and audit. This section contains:
 - a) Auditors name
 - b) Type of audit
 - c) Certificate holders name
 - d) Type of certificate
- 4) The Finding Notice is then divided into 7 Parts
 - a) Parts 1,2 and 3 are completed on the day that the Finding Notice is issued by the auditor and certificate holder
 - b) Part 4 and 5 are completed by the certificate holder when all corrective action and preventative action has been taken to address the particular Finding Notice
 - c) Part 6 is completed by the auditor following a review of the certificate holder's actions taken
 - d) Part 7 is completed by the CAA when they are satisfied that the actions taken have addressed the Finding Notice
- 5) **Part 1**, Finding notice description, contains the following information:
 - a) Finding Notice type – non compliance and/or non conformance or observation*
 - b) Category – Critical, major, minor

- i. Observations are not assigned a category
 - c) Rule Part reference
 - d) Exposition reference
 - e) Certificate holder's responsible manager for this Finding Notice
 - f) Auditor's signature and date
 - g) * Finding Notices that are raised as an "observation" do not require corrective or preventative action on behalf of the certificate holder, nor do they require to be closed by the CAA
 - i. An observation is made to bring awareness to both the CAA and certificate holder of a potential concern
 - ii. It is expected that certificate holders would conduct proactive action as a result of an observation
- 6) **Part 2**, Root cause, is a opportunity to record the most appropriate root cause(s) selected from a list of 16 alternatives
- a) Only used for non compliance and non conformance Finding Notices; not used for observations
 - b) This Part is designed to try and uncover the reason why the Finding Notice was raised
 - c) This Part is completed with the assistance of the certificate holder's quality assurance/SMS manager, or if not applicable, relevant responsible manager
- 7) **Part 3**, Acknowledgement and nominated corrective action date, is the formal acknowledgement of the Finding notice by the certificate holder
- a) It is usually signed by the certificate holder accountable manager, the CEO
 - b) This Part indicates the date when the corrective and preventative action will be completed by
- 8) Following the completion of Part 3, two photocopies of the Finding Notice are taken. The certificate holder takes the original Finding Notice, and a copy is given to both the CAA and the auditor. The next step is the completion of Part 4 and Part 5 by the certificate holder.
- 9) **Part 4**, Corrective action taken and **Part 5**, Preventative action taken, contain a brief summary of what action was conducted by the certificate holder to address the Finding Notice
- a) Corrective and preventative action is expected to occur at or before the nominated corrective action date recorded in Part 3

- b) Certificate holder to forward, along with evidence of action taken, the completed Part 4 and Part 5 of the Finding Notice to the auditor
 - c) Corrective action is more immediate and is designed to address the finding in a simple and timely way. Evidence is usually in the form of a copy of a notice to staff, the receipt for equipment purchased or the attendance record of training given.
 - d) Preventative action is designed to reduce the likelihood of the finding occurring again. Evidence is usually in the form of an exposition amendment and can include changes to the following areas; roles and responsibilities of staff, training syllabi, checklists, SOPs and documentation.
- e) **Part 6**, Auditor recommendation, is completed by the original auditor, or if not available, by a similar technically-qualified auditor
- f) When satisfied that the action taken by the certificate holder has addressed the Finding Notice, the auditor will forward the Notice with Part 6 completed and signed, as a recommendation to the CAA to close this finding
 - g) The intent behind Part 6 is to give the CAA confidence that the action taken by the certificate holder has been appropriate and technically addresses the Finding Notice concern
 - h) It is up to the CAA to formally close the Finding Notice
- 10) **Part 7**, Finding notice closure, is completed by the CAA when they are satisfied that the action taken has addressed the Finding Notice
- a) To keep all parties updated as to Finding Notice status, there is a section in Part 7 for the CAA to tick when the auditee, that is the certificate holder, and the auditor have been advised of finding closure
 - i. Formal advise of a closed finding would be by the forwarding of the Finding Notice with Part 7 completed and signed by a CAA representative
 - b) An additional tick box is provided to indicate that the Finding Notice Summary has been updated
- 11) The Finding Notice Summary is a separate document that contains a list of all the Finding Notices issued on the audit
- a) The summary is designed to assist the certificate holder, CAA and auditor to track the closure of individual Finding Notices

- b) It contains the Finding Notice number, type, category, responsible manager, description due date for action to be taken and a column to record the date the Finding Noticed was closed by the CAA
- c) Finding Notices are listed in order of category; critical, major, minor
- d) If an observation was raised during an audit, it will be listed at the end of the summary after any critical, major or minor findings
 - i. Observations do not require to be closed and the letters “N/A”, not applicable, in the “Closed date” column will indicate this
- e) When all the Finding Notices have been closed, the finding Notice Summary will be complete and the audit has then been finalised

10.6 Performance Measures & Quarterly Reports (under development)

10.6.1 The Performance Agreement with the PMS CAA requires the PASO inspectors/auditors to report on the management of corrective actions.

10.6.2 Currently, the performance measure requires all corrective actions to be closed within 3 months. This can be amended in the next PASO Council Technical Committee Meeting. In the interim, while the PASO/PMS CAAs have agreed that the criteria set shall be 10 working days after the due date,(unless the Finding is of a safety critical status) reporting will continue on the 3 months (quarterly) basis as illustrated in the State’s Yearly Audit Plan - YAP

10.6.3 Team Leaders shall report the state of open findings generated by their team at the monthly Team Leaders meeting. This information will be consolidated by the technical co-ordinator for input to the Quarterly Report.

Finding Notice & Corrective Action Form

FN No:

Auditor:	Audit type:	Date FN raised:
Certificate holder:	Certificate:	Aircraft registration:

Part 1 Finding Notice description									
Type <i>(tick section)</i>	Non-compliance	Non-conform	Observation		Category	Critical	Major	Minor	
Rule Part reference			Exposition reference						
Certificate holder responsible manager									
Auditor signature					Date				

Part 2	Root cause <i>(Tick the most appropriate root cause box below in consultation with the QAM or SMS Manager where applicable)</i>								
Task/Education	Inadequate checking	Lack of discipline	Lack of resources/time						
Poor instruction/procedures	Lack of training	Poor work environment	Lack of management support						
Not following procedures	Poor planning	Poor communications	Lack of maintenance						
Organizational structural deficiency	Design deficiency	Unsuitable equipment	other						

Part 3 Acknowledgement and nominated corrective action date		
I acknowledge receipt of this finding and will provide corrective and preventative action by:		Date
Management representative name and signature		Date

~~~ Certificate holder to complete ~~~

|                                       |                             |  |              |  |             |
|---------------------------------------|-----------------------------|--|--------------|--|-------------|
| <b>Part 4 Corrective action taken</b> |                             |  |              |  |             |
|                                       |                             |  |              |  |             |
| <b>Action by</b>                      | <b>Name &amp; signature</b> |  | <b>Title</b> |  | <b>Date</b> |

|                                       |                             |  |              |  |             |
|---------------------------------------|-----------------------------|--|--------------|--|-------------|
| <b>Part 5 Preventive action taken</b> |                             |  |              |  |             |
|                                       |                             |  |              |  |             |
| <b>Action by:</b>                     | <b>Name &amp; signature</b> |  | <b>Title</b> |  | <b>Date</b> |

**NOTE:** Certificate holder to complete Parts 4 & 5 of this **Finding Notice** and return the form, with accompanying evidence of action taken, to the issuing auditor.

~~~ Auditor to complete ~~~

| | | | |
|---|----------------|-------------|--|
| Part 6 Auditor recommendation | | | |
| Follow up recommended at next audit <i>(tick appropriate box)</i> | | | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| Auditor recommends corrective and preventative action acceptance | Auditor | Date | |

~~~ CAA to complete ~~~

|                                                                                                                                                                                                         |                  |              |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------|--|
| <b>Part 7 Finding Notice closure</b>                                                                                                                                                                    |                  |              |  |
| Corrective and preventative action acceptable - finding is closed    Auditee advised <input type="checkbox"/> Auditor advised <input type="checkbox"/> Finding summary updated <input type="checkbox"/> |                  |              |  |
| <b>CAA representative's name</b>                                                                                                                                                                        | <b>Signature</b> | <b>Date:</b> |  |

