

# Raising the bar

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As far as labels go there are ones that are nice to have and those that are difficult to shake off. Until recently the feelings toward a global standard for airline safety were mixed because many countries already had their own way of auditing airlines. But since its launch last year, the Iata Operational Safety Audit (IOSA) is being hailed as the first global standard for airline operation safety.

So strong is this commitment that all International Air Transport Association (Iata) airlines must complete an IOSA audit by the end of 2007. From 2008, all Iata member airlines will have to comply with the two-year IOSA audit cycle. Iata already has 100 airlines on the IOSA registry and another 50 are in the IOSA process. That accounts for 70% of scheduled international air traffic.

Iata manages the programme and makes the standards freely available to any commercial airline (member or non-member). Audits are conducted by seven accredited audit organizations, while Iata manages the quality of these organizations with procedures that are ISO 9001 certified. Iata believes that having seven accredited organizations ensures a competitive market for the audit services.

IOSA audit data is also made available to governments to assist their safety oversight programmes. For example, the US Federal Aviation Authority recognizes IOSA data for US carriers' code-shares with foreign carriers. The Chilean government recently announced it would make IOSA a condition of airline certification in Chile. Iata is in discussion with other governments, including Madagascar, Jordan and Egypt, for similar programmes.

IOSA was developed in cooperation with some of the industry's most respected regulators, including the Civil Aviation Analysis Authority, the US FAA and Transport Canada. "We recognize that IOSA registration could be difficult for some of our members," says an Iata spokesman, "so we have formed a partnership for safety with an initial focus on African carriers."

As testimony to the success of IOSA, the number of reported accidents in the past year was lower than the previous year. The industry moved from a 0.78 incident rate per million flights in 2004 to 0.76 in 2005.

## The beginning

IOSA came about as a result of airlines looking for more cost-effective ways of being audited. The parent codeshare company, or the larger airline, audited small or medium-sized airlines that wanted to establish a codeshare relationship with other airlines. But the variety of standards among different airlines meant that practices were often inconsistent. About seven audit organizations were selected to address these inconsistencies.

One of them is SH&E, which has provided operational safety and quality audits since 1995. Its defined audit standard Safety Architecture was established in conjunction with the Flight Safety Association, civil aviation authorities, manufacturers and aircraft operators around the world.

"IOSA provides the industry with a standardized and audited training programme. Auditors have the same level of skill or training and the approach is generally standardized," says Lou Sorrentino, managing director of safety, security and operations at SH&E.

Auditors are required to meet training requirements and should be affiliated to an Iata audit organization. "The auditors and audit organizations submit to additional Iata standards that require them to use checklists and to standardize the product to the airline," explains Sorrentino. By sticking to the IOSA programme, audit organizations should come up with the same findings on a particular airline, regardless of which AO accomplishes the audit.

The requirement for airlines to commit to the IOSA programme by 2007 enables the industry to work towards a higher standard. "IOSA provides the industry with an enhanced standard, based on industry best practices. These standards are now being adopted by Iata and member airlines as mandatory operating practices. In effect, IOSA is raising the bar throughout the airline such as in organizational structure and depth, safety, technical performance and quality."

The value airlines can derive, as a result of a quality audit being performed is tremendous. Before IOSA, airlines raised the idea that they were being audited so many times and it was costing them a lot of money. "Iata proposed to audit them once every two years, resulting in savings for the airline. Unfortunately, some airlines are attempting to commoditise a safety audit, seeking the lowest price and expecting the same

quality"

## **Benefits**

Despite the work involved, audit organizations are confident in IOSA's ability to indicate an operators' level of robustness. "This is good for the industry and needs to be embraced more fully by those who have a stake in the safe and efficient operation of aircraft" says Sorrentino.

"Having an acknowledgement means the airline has the internal structure, the safety programmes and the quality and technical programmes to allow it to operate to the new standard."

## **Audits procedure**

To become audited, an airline must contact one of the audit organizations and prepare all documents required by IOSA. The airline then has to contract with IATA, through a third-party agreement with the audit organization. The audit organization then visits the airline to schedule an audit and may suggest the airline performs an independent GAP analysis. During the analysis, the airline should comply with 734 IATA standards and recommended practices (ISORPs), which consist of so-called "shall items" and "should items". Shall items are mandatory, whereas should items are based on best practices. The GAP analysis will determine whether the airline is ready for an audit or not. If it is ready, an audit is scheduled. An audit team spends a minimum of five days with the airline, performing an audit. Based on the number of findings, if any, the audit team provides a corrective action report. This report requires the airline to provide corrective action back to the audit organization in order to show they have met the requirements of the ISORP.

The audit organization will ask the airline to provide documentary evidence of how the standards have been implemented. After reviewing the evidence, the audit organization will then close the corrective action report and perform a final report. The final report, or IOSA Audit Report, is then submitted to IATA. Once this review is completed, the airline is placed on the IOSA registry. Time spent on the registry may last two years, depending on how quickly the airline can close its corrective action. For example, if an airline takes six months from the date of an audit to close its corrective actions, it can only be on the registry for one-and-a-half years. The audit can be a fairly quick process for a well-organized airline or it can be something that takes an airline considerable time to prepare for.

The ISORPs are constantly being reviewed and, as new developments come about to enhance airline safety, they are considered by IATA and the audit organizations. The standard is always being refined, thereby minimizing the likelihood of an IOSA 2. With a 2007 deadline for IOSA registration, the number of airlines holding out could push it back. Their reluctance, is perhaps owed to the voluntary nature of the standards. "Raising awareness and changing behaviour is the most effective means to improve operational safety and quality. IOSA is one of the drivers that enables this change," says Sorrentino.

## **Opportunity knocks**

After the accreditation of the first IATA audit organization three years ago, MBA saw an opportunity to provide these audits and jumped in the queue. "We saw [IATA] accreditation as essential in performing these audits and in remaining a leading aviation consulting firm," says Nick Lacey, executive vice-president. "Having met IATA's requirements, we went through the accreditation process and have been performing these audits since May 2004."

Lacey believes the reduction of redundant audits is the first benefit of the IOSA programme. "The industry now has a predictable and standardized process for all countries and regulatory authorities," he adds.

IATA is highlighting the safety benefits of IOSA conformity to all 238-member airlines. "One of the solutions for qualifying an air operator to operate transinternational flights is to have them complete the IOSA process and get on the registry," says Lacey.

Lacey considers the IOSA standards and requirements to be more rigorous than the fundamental International Civil Aviation Standards. "I cannot say they are more rigorous than each individual country's requirements, but generally it is above them and the process adopted is what we call best practice. We audit those best practices according to should do items, which will essentially become shall do items."

As an audit organization, MBA has seen an increase in the number of airlines conforming to IOSA standards. "The majority of completed audits have been of European airlines, while the United States has been slower to come on board. The seven airlines in the US which have codesharing agreements, may not yet be registered but they have completed the audits. Audit completion is fairly rapid in Asia, whereas Africa and Latin and South America have been slow, largely because they know they are not yet ready to meet those standards."

IATA is working with airlines in Africa and South America to identify which standards they are not meeting. The airline will then take action to meet those standards and become registered over the next 24 to 36 months.

## Meeting demand

Since the establishment of IOSA, IATA has increased the number of audit organizations by one or two a year to meet demand. It is considering the expansion of the accredited audit organizations from seven to eight. However, there are plans for an African organization.

With an increase in the number of audit organizations pending, the ISO 9001 certification will add to the credibility of IOSA. "IATA has morphed from a pure association to one that is a quality and standard setting organization," says Lacey. "The ISO 9001 accreditation is another validation of that. Not only are they dealing with the traditional association issues, they are setting high standards for themselves. The ISO accreditation validates the requirement for mechanisms that ensure a consistent and quality product."

Terry Webb, manager at Partners and Resources for Operational Safety, says: "The significant part of IOSA is that it audits an airline's management based on an ISO 9001. This has not been done before."

With the accreditation of a further audit organization pending, Webb recalls a time when there were only two, adding that, "the price of the audit was fairly high then. But as more AOs are added, it becomes a question of how many more can the market support?"

Partners and Resources for Operational Safety has audited about 50 airlines and it claims that interest is growing. "The 2007 deadline for the completion of audits is realistic but it is difficult to say whether airlines will be ready," says Webb.

He adds: "When auditing an airline we analyze company manuals and whether IOSA standards, covering cabin operations, flight operations etc, have been implemented. It is important to ask if standards have been documented and have they been implemented?"

As audits become more fashionable, it appears that the IOSA label is a "nice to have" and more airlines will look to conform. n

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