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North American, Central American and Caribbean Office

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Agenda Item 4: Safety Oversight Developments

IOSA – THE IATA OPERATIONAL SAFETY AUDIT PROGRAMME

(Presented by IATA)

SUMMARY

The IATA Operational Safety Audit (IOSA) programme of airlines is a key element of the IATA Six-point Safety Strategy, and has been implemented to achieve two fundamental aims – improve airline operational safety, and enhance efficiency. IOSA has gained great momentum, with *over 450 audits completed as of November 2007*.

IOSA is based on the provisions of ICAO Annexes 1, 6 and 8, as well as relevant JAR/FAR provisions, and industry best practices. The IOSA Audit Report of an airline contains valuable information, not just for other airlines forming or continuing commercial arrangements, but also for States. At the 36th ICAO Assembly, States were encouraged to make use of IOSA Audit results, to assist them in their Safety Oversight role. All States are encouraged to make use of IOSA audit data to enhance and complement their own Safety Oversight capabilities.

1. BACKGROUND

1.1 The IATA Operational Safety Audit (IOSA) programme of airlines is a key element of the IATA Six-point Safety Strategy, and has been implemented to achieve two fundamental aims – improve airline operational safety, and enhance efficiency. Since programme launch in late 2003, IOSA has gained great momentum, with over 450 airline audits completed as of November 2007. In that time, over 5000 audit findings have been identified and rectified – a great safety victory in and of itself. IOSA is now active in all Regions of the world. Following the IATA AGM in mid-2006, IOSA is now mandated for both existing Members, and any airline wanting to join IATA. Existing Members contracted with an Audit Organization by the end of 2006, and have the audit conducted by the end of 2007. It is important to note also that over 20% of the IOSA audits being conducted are done on *non-Members of IATA*. This clearly demonstrates that IOSA is a programme for all airlines.

1.2 IOSA is an internationally accepted and recognized evaluation system designed to assess the operational management and control systems of an airline. IOSA uses internationally recognized quality audit principles, and is designed so that audits are conducted in a standardized and consistent manner. IOSA audits of airlines are fully complementary to ICAO audits of States under the USOAP programme.

1.3 An IOSA Audit typically involves six auditors on site for five days, auditing the following areas which are key indicators of an airline's ability to deliver operational safety: Corporate Organization and Management, Flight Operations, Operational Control/Flight Dispatch, Aircraft Engineering & Maintenance, Cabin Operations, Aircraft Ground Handling, Cargo Operations, Operational Security.

1.4 At the conclusion of the audit, there are typically findings. When these findings are corrected, and verified as such, the airline then goes on the IOSA Registry – a public listing of all airlines that have completed the IOSA process. Recurrent IOSA audits must take place every two years.

1.5 Audits are carried out against the provisions of the IOSA Standards Manual. The principles and practices of the management of the IOSA programme are described in the IOSA Programme Manual. Guidance for IOSA Auditors is provided in the IOSA Auditor Handbook. ***All of the IOSA Documentation – Standards Manual, Programme Manual and Auditor Handbook – is available free of charge on the IOSA website – www.iata.org/iosa***

1.6 The eight Audit Organizations accredited by IATA to conduct IOSA Audits are established in commercial competition, therefore any airline wanting to contract for an IOSA audit can deal with any, or all, of these organizations as they see fit. The estimated cost of an audit is US\$50,000, but this is negotiable and can depend on many factors including whether or not an IOSA Preparation Visit is conducted, the extent of follow-up action after the audit, etc. Note that IATA itself adds no costs or fees to the IOSA process and effective January 2008, IATA will cover the costs of IOSA audits of Member airlines

2. QUALITY MANAGEMENT

2.1 It is vital that IATA is able to guarantee the quality of the programme, and its results. As of mid 2006, IATA had appointed eight Audit Organizations, with wide geographical distribution, offering a global service to airlines. The appointment of any organization to undertake IOSA audits follows a rigorous process. A comprehensive – and consistent – examination of the capabilities of each candidate company is undertaken. Technical, legal, financial and other issues are examined, with the aim being to ensure that all AOs meet the very high standards established.

2.2 As part of its ongoing management and quality oversight role of the IOSA Programme, IATA observes audits being conducted by all AOs, on a sampling basis; IATA also conducts annual HQ audits for all AOs.

2.3 As a further development of the Quality Management process, a Continual Monitoring Programme is being established, which will provide additional independent verification of an airline's adherence to IOSA standards between recurrent audits, and of Audit Organization performance.

2.4 The IOSA Programme Office was registered under ISO 9001:2000 in December 2005.

3. **REGISTRY – SHARING OF AUDIT DATA**

3.1 The IOSA Registry is a list of all airlines that have successfully completed an audit under IOSA. Entry to the Registry is based on closure of all audit findings, and registration has a defined validity period – 24 months – before another IOSA audit is required. Any airline that would normally audit another airline for, e.g., code-sharing purposes, can check the publicly-accessible IOSA Registry listing to determine if that other airline has been audited under IOSA. If so, they may make an application to view the full audit report, and thereby save themselves the need to undertake their own audit. Although the audit report is held by IATA, the audited airline remains at all times the owner of the report, the contents of which will be released only on the specific agreement of the audited airline. As of January 2008, with 190 airlines (Appendix A) on the IOSA Registry (see www.iata.org/iosa/registry), already over 700 requests for audits reports have been processed – each of which represents an audit avoided.

4. **OPPORTUNITIES FOR STATE REGULATORY AUTHORITIES**

4.1 Both ICAO and some key Regulatory Authorities have been involved in IOSA development since the outset. In particular The Australian Civil Aviation Safety Authority, US FAA, Transport Canada, DGAC France, Scandinavian CAA, US Department of Defense and EC/JAA, have been great contributors and supporters.

4.2 The growing awareness of the benefits to States of IOSA was well recognized at the ICAO Assembly in late 2007, where States were encouraged (under the Assembly Resolution on Safety Oversight) to make use of all available data, including that from IOSA audits, to assist them in their oversight role. IOSA data provides an opportunity for States to enhance and extend their oversight capability, as well as to better focus their limited resources. Regulators are able to access the IOSA Audit Reports, at no cost, and thereby to use this information as vital intelligence in the discharge of their oversight responsibilities.

4.3 In our discussions with States, it's clear that this benefit of IOSA is starting to be recognized. Some States are already actively using IOSA audit data, and others have even mandated IOSA for airlines in their States, and flying into their States (Turkey, Egypt, Madagascar, Chile, Mexico, Costa Rica, States of the Arab Civil Aviation Commission). Additionally, at least three States are now using IOSA data in consideration of issuing Foreign Air Operator Certificates. France has announced that it will use IOSA as the Safety element of its Quality Label for airlines.

5 **THE FUTURE**

5.1 After having fostered its development and launch, IATA's role is now to ensure the successful and consistent implementation, ongoing programme management, and Quality Assurance. IATA will continue to oversee the accreditation of further Audit Organizations and Training Organizations as required, ensure continuous development of the IOSA Standards and Industry Practices, and manage the central database of IOSA audit reports. In addition, IATA continues to work intensely with airlines and regulators to ensure that IOSA meets their needs.

5.2 The audits themselves are providing extensive information that is being used firstly to improve the audit process, and the standards. More particularly, the audit results are showing trends and/or areas that need specific attention in order to improve safety. Such data must also be examined in comparison with ICAO audit data from States, and ICAO and IATA have recently concluded a Memorandum of Cooperation to this effect.

5.3 For IOSA, the future is very promising. The benefits are clear, and the Programme is now well set up to deliver those benefits.

6 ACTION

6.1 States are invited to use IOSA as a tool to complement the DGAC's regulatory oversight programmes.

APPENDIX A

IOSA Registry as at January 25 2008 (190 Registered Airlines:

Adria Airways d.d.



Hong Kong Dragon Airlines Ltd.



AeBal



Hong Kong Express Airways



Aegean Airlines



IBERIA



Aeroflot – Russian Airlines
Aerolineas Mesoamericanas S.A.
(ALMA de Mexico)



Icelandair



Interjet

* interjet

AeroLitoral



Japan Airlines International



AeroMexico



JALways



Aerosvit Airlines



JAT Airways



Aigle Azur Transports Aériens



Jet Airways



Air Algérie



Joint Stock Company Volga-Dnepr



Air Austral



Jordan Aviation



Air Baltic



Kenya Airways



Air Berlin



Kish Air



KISH AIRLINES

Air Cairo



KLM Cityhopper



Air Canada



KLM Royal Dutch Airlines



Air Canada Jazz



Korean Air Lines



Air China



Kuwait Airways



Air Dolomiti

LACSA (Lineas Aereas
Costarricenses SA)

Air Europa



LAN Airlines



Air France



LAN Argentina S.A.



Air India



LAN Express



Air Jamaica



LAN Peru



Air Madagascar

Lauda Air Luftfahrt
GmbH

Air Malta



LOT Polish Airlines



Air Mauritius



Lufthansa Cargo



Air Memphis



Lufthansa CityLine



Air New Zealand

Lufthansa German
Airlines

Air Nippon CO. Ltd.



Luxair



Air One



Malaysia Airlines



Air One Cityliner



Malev Airlines



Air Seychelles



Mandarin Airlines



Air Tahiti Nui



Mesa Airlines



Air Wisconsin



Mexicana



Alaska Airlines



Middle East Airlines



Alitalia



Moldavian Airlines



Alitalia Express



Montenegro Airlines



All Nippon Airways






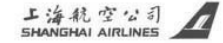


































MyTravel Airways



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|----------------------------------|---|---------------------------------|---|
| AMC Airlines |  | Nationwide Airlines |  |
| American Airlines |  | NetJets |  |
| Asiana Airlines |  | Northwest Airlines |  |
| Atlantic Southeast Airlines Inc. |  | Nouvelair |  |
| Atlas Blue |  | Olympic Airlines |  |
| AtlasJet Airlines |  | Oman Air |  |
| Augsburg Airways |  | Onur Air |  |
| Austrian Airlines |  | Pakistan International Airlines |  |
| Avianca |  | Pegasus Airlines |  |
| Belair Airlines |  | Philippine Airlines |  |
| Blue 1 |  | Portugalia Airlines |  |
| Blue Wings AG |  | Precision Air Services Limited |  |
| bmi British Midland |  | PrivatAir GmbH |  |
| bmi British Midland Regional |  | PrivatAir S.A. |  |
| Brit Air |  | Qantas Airways Ltd. |  |
| British Airways plc. |  | Qatar Airways |  |
| Bulgaria Air |  | Royal Air Maroc |  |
| Carpatair |  | Royal Jordanian |  |
| Cathay Pacific |  | SAM Airlines |  |
| Chautauqua Airlines |  | SAS Braathens |  |
| China Airlines |  | Saudi Arabian Airlines |  |

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|---------------------------------|---|-------------------------------|---|
| China Eastern Airlines |  | Scandinavian Airlines Systems |  |
| China Southern Airlines |  | Shandong Airlines |  |
| Cimber Air |  | Shanghai Airlines |  |
| Cirrus Airlines |  | Shenzhen Airlines |  |
| CityJet Ltd. |  | Shuttle America |  |
| Click Mexicana |  | Siberian Airlines |  |
| Comair, Inc. |  | Sichuan Airlines |  |
| Comair Limited |  | Silkair (s) Pte Limited |  |
| Contact Air |  | Singapore Airlines |  |
| Continental Airlines |  | SkyWest Airlines |  |
| Continental Micronesia Airlines |  | South African Airways |  |
| COPA Airlines |  | Spanair |  |
| Croatia Airlines |  | SriLankan Airlines Limited |  |
| Czech Airlines |  | Swiss European Air Lines |  |
| Dbg Luftfahrtgesellschaft |  | Swiss International Air Lines |  |
| Delta Air Lines |  | TACA |  |
| Denim Air B.V. |  | TACA Peru |  |
| Dubrovnik Airlines Ltd. |  | TAM Linhas Aereas |  |
| European Air Express |  | TAM Mercosur |  |

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|------------------------------|---|--------------------------------|---|
| Edelweiss Air AG |  | TAP Portugal |  |
| EgyptAir |  | TAROM |  |
| Emirates Airlines |  | Thai International Airways |  |
| El Al Airlines |  | TransStates Airlines |  |
| Estonian Air |  | TransAsia Airways |  |
| Ethiopian Airlines |  | Tunisair |  |
| Etihad Airways |  | Turkish Airlines |  |
| EuroLOT |  | Tyrolean Airways |  |
| Eurowings |  | Ukraine International Airlines |  |
| EVA Air |  | UNI Airways |  |
| ExpressJet |  | United Airlines |  |
| Far Eastern Air Transport |  | US Airways |  |
| Finnair |  | Vietnam Airlines |  |
| Freebird Airlines |  | Virgin Atlantic Airways Ltd. |  |
| Futura International Airways |  | Virgin Blue Airlines |  |
| GoJet Airlines |  | Wideroe Flyveselskap ASA |  |
| Gulf Air |  | Xiamen Airlines |  |
| Hainan Airlines |  | Yemenia Yemen Airways |  |

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