



## Civil Aviation Directive

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### 1.0 INTRODUCTION

#### 1.1 Purpose

- (1) To provide direction for a framework contributing to consistent application of Risk Management across all national Civil Aviation Program activities in accordance with the *Integrated Management System (IMS) Standard Part 2.6*, and the Treasury Board Secretariat (TBS) *Framework for the Management of Risk*.
- (2) Transport Canada Civil Aviation (TCCA) must continue to implement a sound Risk Management methodology to diligently manage risk as an effective contribution to the achievement of its mission as stated in the *Aviation Safety Program Manual for the Civil Aviation Directorate / Issue No. 1 / effective date: 2009-04-01*.

#### 1.2 Applicability

- (1) This document is applicable to TCCA personnel.

#### 1.3 Description of changes

- (1) This amendment is a minor change to reflect the new Treasury Board of Canada Secretariat *Framework for the Management of Risk* effective on August 27, 2010. The principles of the new framework are listed in the section 3.0, paragraph (8) of this document. The integrated risk management approach remains valid with the new framework.

### 2.0 REFERENCES AND REQUIREMENTS

#### 2.1 Reference documents

- (1) It is intended that the following reference materials be used in conjunction with this Directive:
  - (a) Canadian Standards Association – *CAN/CSA Q850-10, Risk Management: Implementation of CAN/CSA-ISO-31000*;
  - (b) International Organization for Standardization – *ISO/FDIS 31000: Risk Management – Principles and Guidelines*;
  - (c) Transport Canada Civil Aviation - *Aviation Safety Program Manual for the Civil Aviation Directorate / Issue No. 1 / effective date: 2009-04-01 / RDIMS 4135989*;
  - (d) Transport Canada Civil Aviation – *CAD QUA-002 Issue 02 dated 2009-02-10 - Civil Aviation Documentation Framework / RDIMS 3959895*;
  - (e) Transport Canada Civil Aviation – *CAD QUA-011 Issue 01 dated 2008-04-10 - Civil Aviation Internal Quality Assurance / RDIMS 2132994*;
  - (f) Transport Canada Civil Aviation – *Directive No. 40 - Information Management in Civil Aviation / effective date: January 20, 2006*;
  - (g) Transport Canada Civil Aviation – *Flight 2010 A Strategic Plan for Civil Aviation / TP 14469 (04/2006)*;
  - (h) Transport Canada Civil Aviation – *Civil Aviation Integrated Management System Standard / TP 14693E(05/2007)*;
  - (i) Transport Canada – *Information Management Directive / TP 13953E (2009-08-14, RDIMS 147060)*;
  - (j) Treasury Board Secretariat – *TBS Framework for the Management of Risk (TBS website effective date August 27, 2010)*; and

- (k) Treasury Board Secretariat – *Cabinet Directive on Streamlining Regulation: Catalogue No. BT22-110/2007.*

### 2.2 Cancelled documents

- (1) This Directive replaces *CAD Number 30 Revision 4 (effective date: 2006-04-11) - Risk Management and Decision-Making in Civil Aviation.*
- (2) By default, it is understood that the publication of a new issue of a document automatically renders any earlier issues of the same document null and void.

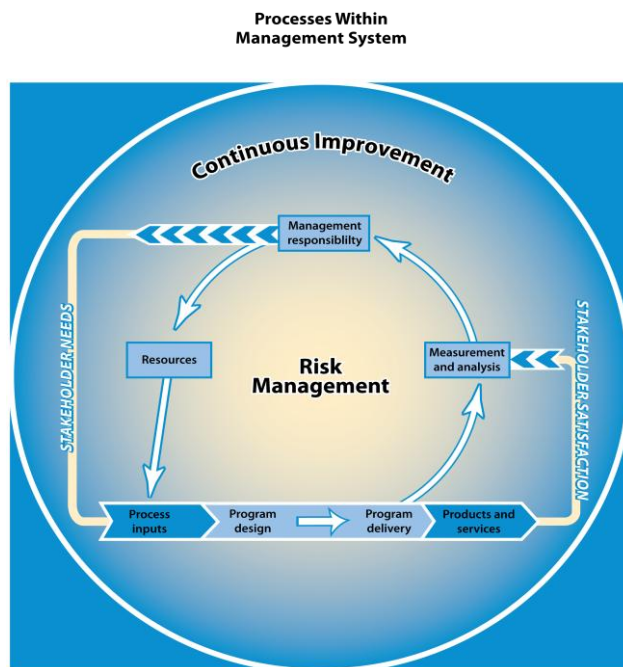
### 2.3 Definitions and abbreviations

- (1) The following definitions and abbreviations are used in this document:
  - (a) **AC:** Advisory Circular
  - (b) **CA:** Civil Aviation
  - (c) **CAD:** Civil Aviation Directive
  - (d) **ICAO:** International Civil Aviation Organization
  - (e) **IMS:** Integrated Management System
  - (f) **IKMAT:** Information and Knowledge Management Action Team
  - (g) **NCAMX:** National Civil Aviation Management Executive Committee
  - (h) **NIMSAT:** National Integrated Management System Action Team
  - (i) **PA:** Program Activity
  - (j) **PAA:** Program Activity Architecture
  - (k) **QA:** Quality Assurance
  - (l) **RMC:** Risk Management Committee
  - (m) **SI:** Staff Instruction
  - (n) **SSI:** Supplementary Staff Instruction
  - (o) **TBS:** Treasury Board Secretariat
  - (p) **TCCA:** Transport Canada Civil Aviation

### 3.0 BACKGROUND

- (1) TCCA's management system enables a sound Risk Management methodology.
- (2) The following model, found in the *Aviation Safety Program Manual for the Civil Aviation Directorate / Issue No. 1 / effective date: 2009-04-01*, identifies the five main processes within TCCA's management system, with Risk Management as its core. These processes are:
  - (a) *the management responsibility;*
  - (b) *the resources (stakeholders);*
  - (c) *the program design;*
  - (d) *the program delivery; and*
  - (e) *the measurement and analysis.*

# FOR EXAMPLE - CANADA



- (3) TCCA's Risk Management process is aligned with the *Civil Aviation Business Model* documented in the *Aviation Safety Program Manual for the Civil Aviation Directorate*. This model depicts the five phases of Risk Management in which TCCA conducts its Integrated Risk Management. These phases are:
- (a) *the initiation;*
  - (b) *the preliminary analysis;*
  - (c) *the risk estimation and risk evaluation;*
  - (d) *the risk control and intervention; and*
  - (e) *the impact measurement and communication.*
- (4) TCCA places emphasis on timely and thorough follow-up, action plan, and feedback activities to ensure risks are adequately identified, assessed, treated, and lessons learned are well communicated and shared.
- (5) The *TBS Framework for the Management of Risk* is integral to the way in which the Government of Canada delivers results to Canadians. This Directive is intended to enable the implementation of TBS requirements in terms of Risk Management. Furthermore, this CAD addresses the commitment of TCCA to integrate the requirements of the *Cabinet Directive on Streamlining Regulation (CDSR)*. More specifically, the *CDSR* requires all regulatory processes to consider in the assessment, the following factors:
- (a) *potential impact of the regulation on health and safety, security, the environment, and the social and economic well-being of Canadians;*
  - (b) *cost or savings to government, business, or Canadians and the potential impact on the Canadian economy and its international competitiveness;*
  - (c) *potential impact on other federal departments or agencies, other governments in Canada, or on Canada's foreign affairs; and*
  - (d) *degree of interest, contention, and support among affected parties and Canadians.*
- (6) Part 2.6 of the *Civil Aviation IMS Standard* stipulates "management shall establish, document and maintain an effective Integrated Risk Management Framework".

- (7) This Directive formalizes a strengthened and broadened methodology to introduce Risk Management practices into the entire Civil Aviation Program as shown in the *Aviation Safety – Performance Measurement Logic Model*:
  - (a) 3.1.1 *Aviation Safety Regulatory Framework*;
  - (b) 3.1.2 *Aviation Safety Oversight*; and
  - (c) PA 5.1 *Internal Services*.
- (8) This Directive enables the performance of activities that promote the reinforcement and/or development of the capabilities of TCCA to meet the expectation of the TBS to implement a solid and consistent *Framework for the Management of Risk*. This statement means that it is mandatory for TCCA to integrate the following principles of the *TBS Framework for the Management of Risk* while delivering the Civil Aviation Program:
  - (a) support government-wide decision-making and priorities as well as the achievement of organizational objectives and outcomes, while maintaining public confidence;
  - (b) be tailored and responsive to the organization's external and internal context including its mandate, priorities, organizational risk culture, risk management capacity, and partner and stakeholder interests;
  - (c) add value as a key component of decision-making, business planning, resource allocation and operational management;
  - (d) achieve a balance between the level of risk responses and established controls and support for flexibility and innovation to improve performance and outcomes;
  - (e) be transparent, inclusive, integrated and systematic; and
  - (f) continuously improve the culture, capacity and capability of risk management in federal organizations.
- (9) TCCA is committed to integrate Risk Management into all facets of its program from planning to reporting, to support its regulatory and operational activities. This will result in practices that support information for decision-making, priority setting and resource allocation proactively as part of promoting management excellence. RMC's Terms of Reference, SI, SSI and tools that form the foundation of a Risk-Based approach in all aspects of TCCA's program will complement this Directive.

#### 4.0 PRINCIPLES

- (1) TCCA takes effective measures to align all activities on a Risk-Based approach. The following five questions provide a general overview leading to a deeper process to optimally manage risk:
  - (a) What has changed?
  - (b) What can happen?
  - (c) What is the effect?
  - (d) What are the options?
  - (e) What are the next steps?
- (2) The following principles contain essential outcomes. They guide TCCA in practicing an effective and efficient Risk Management approach aligned with the principles stated into the *TBS Framework for the Management of Risk*:

- (a) The continued development and use of a strong set of effective, scalable, and easily used Risk Management processes, procedures and tools for tactical and strategic decision-making, at all level of TCCA;
- (b) The appropriate allocation of resources to assess and manage risks based on the hazard's complexity, impact and potential controversy.
- (c) The reinforcement of the development and promotion of a strong culture through education, training, awareness and sharing of best practices;
- (d) The preservation of TCCA's leadership role in Risk Management by adopting contemporary advancements in Risk-Based decision making, by continuously benchmarking and sharing among the Risk Management community internally and externally;
- (e) The fulfillment of the requirement of the documentation framework by having a system for sharing, tracking, and communicating Risk Management information nationwide (e.g.: Risk Assessments and supporting documentation, decision records, terms of reference, guidance material, and methodology);
- (f) The development of TCCA's capabilities to take advantage of all pertinent safety intelligence in order to develop risk mitigation strategies, thereby fostering continuous improvement in aviation safety; and
- (g) An effective process of QA activities capable of assuring that the Risk Management practices are consistent, relevant, valid and responds appropriately to the identified risk/opportunity.

### 5.0 ROLES AND RESPONSIBILITIES

- (1) The roles and responsibilities regarding RM are described as follow:
  - (a) **Director, Management Services:** The Director, Management Services is the TCCA Risk Management functional authority, and as such, chairs the RMC.
  - (b) **Director, Policy and Regulatory Services:** The Director, Policy and Regulatory Services is responsible for advising, managing, or facilitating high profile risk assessments.
  - (c) **NCAMX:** The members of NCAMX are responsible to promote, and to take necessary actions to fulfill this Directive.
  - (d) **RMC:** The RMC, under the leadership of the Director, Management Services, is responsible for the development, continuous improvement, and delivery of the Risk Management methodology and required activities for an effective Integrated Risk Management Framework within the TCCA program.
  - (e) **Employees of TCCA.** Employees must apply the processes and procedures outlined in this Directive as well in any relevant SI, and other related documentation. They must develop and/or improve their competencies in applying Risk Management methodology by attending mandatory and recommended training, and also by the approved learning plan.

### 6.0 INFORMATION MANAGEMENT AND RECORDS

- (1) All Risk Management decisions and supporting documentation must be saved in RDIMS using the appropriate subject file classification.

- (2) Protected information is categorized as Protected A, Protected B or Protected C. It is imperative that such information is given appropriate protection when its unauthorized disclosure, removal or modification could reasonably be expected to cause injury to an individual, organization or government which lies outside the national interest.
- (3) Protected B information includes: a person's performance evaluation and character references, criminal records, solicitor-client privileges, medical records and departmental risk assessments, among others.
- (4) Subject file classification Z 5000-5 RISK MANAGEMENT IN CIVIL AVIATION should be used for general matters pertaining to Risk Management.

### 7.0 CONTACT OFFICE

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Suggestions for amendment to this document are invited, and should be submitted via the Transport Canada Civil Aviation Issues Reporting System (CAIRS) at the following Internet address:

<http://www.tc.gc.ca/CAIRS>  
or by e-mail at: [CAIRS\\_NCR@tc.gc.ca](mailto:CAIRS_NCR@tc.gc.ca)

*Original signed by*

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