



IATA OPERATIONAL SAFETY AUDIT

IOSA



IOSA

Commonly Asked Questions

SAFETY OPERATIONS
& INFRASTRUCTURE

Preface

The IATA Operational Safety Audit (IOSA) Programme was initiated by IATA in 2001 to meet two specific aviation industry needs in the areas of cost-effectiveness and safety.

The airline industry is subject to an ever-increasing proliferation of audits that often overlap both in intent and content – IOSA will change that by introducing a single, agreed, common airline audit standard.

Safety of airline operations remains the highest industry priority – compliance with IOSA standards and recommended practices will help an airline to deliver operational safety in all key areas, as well as operating more efficiently.

IOSA provides a standardised audit programme based on internationally-recognised standards and a structured system for the sharing of audits. The IOSA standards, on which IOSA audits are based, have been developed by a diverse and highly-experienced group of airline audit specialists, under the guidance and direction of IATA. IOSA audits are conducted by a select group of experienced Audit Organisations that have each undergone a rigorous and consistent IATA accreditation process. All IOSA auditors are highly experienced and are trained on IOSA before conducting any audits.

IATA Member Airlines are committed to being audited to IOSA standards. A growing number of Regulatory Authorities worldwide are beginning to see how IOSA can help them by extending and enhancing their regulatory oversight role. Non-IATA Member airlines are starting to see the benefits that can accrue from aligning their operations with IOSA.

This document has been prepared to provide detailed information on many aspects of IOSA and is divided into the following sections:

1. **What is IOSA**
2. **IOSA Benefits**
3. **IOSA Programme**
4. **How to plan the audit**
5. **Regulatory Authority Acceptance**
6. **IOSA Registry**
7. **Audit Cost**

The IOSA Programme Team can be reached directly at:
iosa@iata.org

or by calling the IOSA Programme Office at:
+1 (514) 874 0202 x 3246.

Alternatively, visit our website at
www.iata.org/iosa





I. What is IOSA

Q: What does the IOSA acronym stand for?

A: *IATA Operational Safety Audit*

Q: What is the goal of IOSA?

A: *To provide a standardized audit programme of the operational management and control systems of an airline that is based on internationally-recognised standards and supported by a rigorous quality assurance process, for the purpose of serving the airline industry in terms of improving worldwide operations and reducing the number of operational audits that are conducted.*

Q: Do you have to be an IATA Member to seek an IOSA audit?

A: *No, all airlines are welcome to seek an IOSA audit.*

Q: Is it true that all IATA Members are mandated to undergo an IOSA audit by end of 2005?

A: *All IATA member airlines have committed to seek registration as an IOSA Operator by January 1, 2006.*

Q: What are the main publications that support the IOSA programme?

A: *A: The main publications are:*

- | | |
|---|--|
| 1. The IOSA Standards Manual (ISM) | <i>The standards used for the audit, plus the audit checklists.</i> |
| 2. The IOSA Programme Manual (IPM) | <i>The standards that govern IATA and audit organisations in the management and implementation of the programme.</i> |
| 3. The IOSA Auditor Handbook (IAH) | <i>Guidance for IOSA auditors.</i> |

Q: Which manuals do I need?

A: *Interested airlines must have a copy of the **IOSA Standards Manual (ISM)** and the checklists in order to prepare for an audit. The ISM and checklists contain the standards used during the IOSA audit.*

*The **IOSA Programme Manual** and **IOSA Auditor Handbook** are optional, but useful for audit preparation because they contain information concerning the IOSA Programme and the audit methodology.*

Q: What is the IOSA Standards Manual?

A: *The IOSA Standards Manual is published to provide the operational standards, recommended practices and guidance material necessary for an Operator to successfully prepare for an audit conducted under the IOSA Programme. The standards incorporate many requirements from ICAO, FAA and JAA, as well as best practices from airline audit programmes in existence already. The standards were developed by more than 100 airlines from all over the world.*

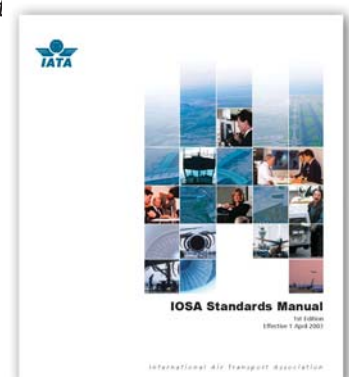
Q: How do I get a copy of the IOSA Standards Manual?

A: *IATA is providing **free**, downloadable versions of the IOSA Standards Manual, IOSA Checklists and IOSA Programme Manual.*

Visit our website: www.iata.org/iosa

*To purchase a hardcopy version of the **IOSA Standards Manual** visit www.iataonline.com*

or call IATA Customer Service at: 800 71 66 32 60





I. What is IOSA (continued)

Q: What is the registration process to become an IOSA Operator?

A: *Registration is the final objective of the IOSA audit process. An airline that has been audited under the IOSA Programme and demonstrated full conformity with the IOSA standards will be entered in the IATA registry as an IOSA Operator.*

Q: Which operational areas of an airline are audited under the IOSA Programme (i.e. what is the scope of the audit)?

A:

- *Corporate Organisation & Management*
- *Flight Operations*
- *Operational Control/Flight Dispatch*
- *Aircraft Engineering & Maintenance*
- *Cabin Operations*
- *Aircraft Ground Handling*
- *Cargo Operations*
- *Operational Security*

Q: Is the IOSA Programme applicable to passenger airlines only, or can cargo operators also undergo an audit and become registered as an IOSA Operator?

A: *At present, the IOSA Programme applies to passenger airlines only. However, there has been much interest in expanding the scope of the audit to include cargo-only airlines. It is IATA's plan to coordinate the development of technical modifications to relevant IOSA standards in the near future such that the programme will be applicable also to cargo-only airlines.*

Q: What is the IOSA Programme Manual?

A: *The IOSA Programme Manual contains standards that govern all aspects of the IOSA Programme for the purpose of ensuring a standardized and consistent audit product. This manual is the basis for the accreditation of Audit Organisations, formal approval of IOSA Auditors and other important aspects of the Programme.*

Q: As an airline, do I need the IOSA Programme Manual to prepare for an audit?

A: *The IOSA Programme Manual is not an operational manual and thus technically not a required item when preparing for an audit. However, because this manual provides a detailed description of IOSA Programme requirements, it is recommended that it be reviewed prior to being audited.*

Q: What is the IOSA Auditor Handbook?

A: *The IOSA Auditor Handbook is an operational manual that contains the detailed information and guidance that is applicable to an IOSA Auditor.*

Q: I am thinking about joining IATA. What is the difference between the IOSA audit and the OQS audit?

A: *The **OQS – Operational Quality Standards** – audit has been the member entry audit for IATA since 2000. The IATA AGM/59 Resolution requires that this audit programme be merged with IOSA during 2004. From the beginning of 2005, all airlines requesting to join IATA will be required to submit to a new Member Entry Audit that will be based upon the IOSA Standards, but will not be a full IOSA audit. Once a new applicant airline completes that audit, they may become an IATA Member and will then have a two-year period to seek a full IOSA audit. Alternatively, an applicant airline may elect to have a full IOSA audit that will suffice for IATA Member Entry requirements.*



2. IOSA Benefits

Q: What are the financial benefits for an airline?

A: *As a commonly-accepted audit programme, IOSA can replace most of the current code-share audits performed today. Airlines and the industry as a whole will save millions of dollars in the elimination of these duplicated audits.*

Q: Does IOSA improve operational safety?

A: *The audit under IOSA is based on internationally-recognized operational standards, and assesses the operational management and control systems of an airline. An airline that has been audited to full conformity with IOSA standards makes a clear positive statement about the integrity of its operations and its ability to manage associated risks.*

Q: What other benefits are there?

A: *IOSA – through a system of audit sharing – will reduce the number of operational audits that are conducted throughout the industry. The result will be fewer airline resources dedicated to this function, that in turn means lower costs. IOSA represents operational excellence and for the registered IOSA Operator, there is an enhanced potential for a whole range of shared commercial opportunities (e.g. code-share, wet lease, aircraft leasing, etc).*

Q: How do the major airline alliances plan to use IOSA?

A: *All major airline alliances have been represented in the development of IOSA and have actively participated from the beginning.*

Q: Can our airline use IOSA in company promotion and marketing materials?

A: *We encourage airlines to promote IOSA, but all external references to IATA or IOSA must be approved by IATA. Aspects such as these are contained in the Audit Agreement, which is a tri-partite contract entered into by the Auditee Airline, the Audit Organisation, and IATA.*

Q: If I want to code-share with another airline, can I use the IOSA Registration?

A: *The decision to implement code-share operations will always be made by the involved carriers and each airline has its own operational criteria upon which its code-share decisions are based. Under current industry practice there is generally the need for an operational audit to be conducted by one or both carriers (to ensure operational integrity) prior to any code-share agreement. When code-share is contemplated with an existing IOSA Operator, no audit is required (cost savings). That carrier has already been audited and demonstrated a high-level of operational excellence through conformity to IOSA Standards.*

3. IOSA Programme

Q: What is the general structure of the IOSA Programme?

A: *To ensure integrity, quality, and oversight of the Programme, these are the principal entities of the IOSA Programme and their basic functions*

a) *IATA – Developer of the Standards, keeper of the IOSA Registry, Accreditation of Audit Organisations and Endorsed Training Organisations, and ongoing Quality oversight of the IOSA Programme*

b) *Audit Organisations – Accredited by IATA, they conduct the IOSA audits*

c) *Endorsed Training Organisation – Accredited by IATA, they train IOSA Auditors*

d) *IOSA Oversight Committee – Comprised of 25 Airlines, 10 Regulatory Authorities plus Observers, this committee provides oversight of and guidance to the IOSA Programme*



3. IOSA Programme (continued)

Q: What is IATA's role?

A: IATA's role is to provide quality oversight of the entire IOSA Programme. Functions include the ongoing development of the IOSA Documentation System (IOSA Standards Manual, IOSA Programme Manual, IOSA Auditor Handbook), ongoing maintenance of the standards, management and quality assurance of the training and audit organisations, organizer of the IOC meetings, and keeper of the IOSA Registry.

Q: Who conducts the audits under the IOSA Programme?

A: IATA has accredited Audit Organisations (AOs) to conduct audits on its behalf. For a list of accredited AOs, visit: www.iata.org/iosa/accreditation.

Q: Who are the auditors that participate in these audits?

A: The AOs engage experienced aviation auditors that have undergone a stringent training and qualification process and have been approved as IOSA Auditors.

Q: Who trains the IOSA Auditors?

A: IATA has accredited an Endorsed Training Organisation (ETO) to conduct training of all auditors as part of the qualification process for approval as an IOSA Auditor.

Q: I am interested in becoming an IOSA Auditor. What are the steps?

A: To become an IOSA Auditor you must:

- 1) Meet prerequisite qualifications and experience as outlined in the IOSA Programme Manual
- 2) Contact IATA regarding upcoming IOSA Auditor Training courses
- 3) Undergo training by the IATA Endorsed Training Organisation

The IOSA auditor training course is open to any qualified individual, but only those auditors sponsored by an AO who complete the course will be eligible to perform audits under the IOSA Programme.

Q: How can our organisation become an Audit Organisation?

A: If your organisation is interested, e-mail: iosa@iata.org and we will forward the appropriate information.

Q: What criteria does IATA use to accredit Audit Organisations?

A: AOs are accredited according to the standards contained in the IOSA Programme Manual (IPM). IATA conducts a thorough due-diligence process that ensures candidates meet all IPM provisions before the organisation can be accredited.

Q: How is IATA performing quality assurance for the IOSA Programme?

A: IATA has an internal quality assurance system that will maintain stringent oversight of all functions that make up the IOSA process.

Q: What is the IOC?

A: The IOC (IOSA Oversight Committee) is a body within the IATA governance structure that focuses on ensuring the IOSA Programme maintains a high level of quality and standardization, is controlled by member airlines and continues to meet industry needs. The IOC reports to the Operations Committee (OPC), which in turn reports to the IATA Board of Governors.

The IOC comprises representatives from 25 IATA Member airlines plus 10 Regulatory Authorities. Additionally, IOC meetings are attended by numerous invited observers, representing interested segments of the industry.



4. How to plan the audit

Q: Can you provide a list of Audit Organisations (AOs)?

A: For a list of accredited AOs, visit the IATA website at www.iata.org/iosa/accreditation or contact at iosa@iata.org

Q: How does an airline schedule an audit?

A: There is a network of Audit Organisations (AOs) that will be able to audit airlines anywhere in the world. IATA encourages airlines to select the AO they feel most comfortable with in terms of their experience, quality-orientation, auditors engaged by the AO, and price they intend to charge for the audit. Selection of an AO by an airline is an airline's individual choice. IATA's role is to provide a range of AOs to select from.

Q: How does an airline prepare for the audit? (Please also see Sample A– how to seek an IOSA audit).

A:

1. Airlines should in the first instance obtain copies of the IOSA Standards Manual (ISM) for distribution to heads of operational sections within the airline.
2. It is recommended that a trial audit or gap analysis is carried out by the airline, using the ISM checklists, to determine readiness for the audit process and, more particularly, to identify those areas of the airline operation that will need modification or improvement in order to meet the IOSA Standards.
3. The audit can be scheduled directly with an AO; for information or assistance, contact IATA

Q: What could be a realistic time, from the time that an IOSA audit is conducted, to being placed on the IOSA Registry?

A: There is no set time. An airline that is well prepared for its IOSA audit is likely to have fewer findings from the audit, and therefore be well placed to clear the findings in a short period. At the closing meeting of the audit, held on-site at the airline premises, the airline is presented with an interim audit report which outlines in detail the audit findings. The airline must then develop a corrective action plan to clear all the audit findings. The airline has twelve months to clear those findings and it is only then that the airline is entered on the IOSA Registry.

Q: Where can we get help to perform an internal assessment or gap analysis?

A: For airlines that do not have the resources, Audit Organisations provide an optional pre-audit service that will help airlines better prepare for an IOSA audit. In addition, IATA can provide services to assist.

Q: We are a small airline and are concerned about being able to meet the IOSA audit requirements. Can you provide us with some information in this regard?

A: The IOSA Programme has been designed specifically to ensure that a well-managed airline, regardless of size or location, can meet IOSA standards. The audit assesses the level to which the audited operator has documented and implemented the IOSA requirements.

Q: How often are the standards revised and how will I know if the existing standards are current when I prepare for an audit?

A: IATA revises the standards at least once per year. When the Audit Agreement is signed by the AO and Auditee Airline, the existing version of the IOSA Standards Manual will be incorporated into the Agreement and applied during the audit.

Q: My airline has a number of subsidiary airlines, each operating under different Air Operator Certificates (AOCs). Do I have to seek an IOSA audit for each AOC?

A: Yes.



5. Regulatory Authority Acceptance

Q: What is the Regulatory Authority involvement in IOSA?

A: *Certain key regulatory authorities from around the world have been involved in the development of IOSA from the beginning. IATA recognises the necessity of regulatory acceptance to ensure the future success of the IOSA Programme. Regulators see the benefit of IOSA in being able to enhance and extend their regulatory oversight of both domestic and foreign airlines.*

Q: Specifically, has the FAA accepted IOSA?

A: *Yes. The FAA has been involved in IOSA development from the beginning and is supportive. The FAA's recognition of IOSA means that U.S. carriers now can use IOSA audits to comply with the U.S. Department of Transportation's requirement that foreign code-share partners be audited. Therefore, U.S. airlines may now submit to FAA code-share audit programmes based on IOSA. This will bring great benefit both to the U.S. airlines and their many commercial airline partners globally.*

Q: What is ICAO's position on IOSA?

A: *ICAO has been involved with IOSA from the very beginning, is fully supportive and considers IOSA as fully complementary to the ICAO Universal Safety Oversight Audit programme of states.*

Q: How do I know if my Regulatory Authority accepts IOSA?

A: *Ask IATA. IATA has an ongoing programme of meetings with CAAs around the globe, to demonstrate the benefits that IOSA can bring.*

Q: Which Regulatory Authorities are involved in IOSA?

A: *Current members of the IOSA Oversight Committee include representatives for the regulatory authorities of Australia (CASA), Canada (Transport Canada), China, European Union, France (DGAC), Scandinavia and the United States (FAA). Many other authorities participate as observers.*

Q: What is the difference between JAR-OPS and the IOSA Standards?

A: *JAR-OPS are requirements set by the JAA; ISARPs are audit standards. IOSA standards fulfill all requirements from applicable ICAO annexes, and also meet the majority of requirements from JAR-OPS, FARs and other countries.*

6. IOSA Registry

Q: What is the IOSA Registry?

A: *The Registry is a publicly-available list of all current IOSA Operators. An Operator is not added to the Registry until all findings identified in the course of an IOSA audit have been satisfactorily closed, and the operator is in conformity with all IOSA standards.*

Q: Where can we see the Registry list?

A: *On the IATA website www.iata.org/iosa/registry*

Q: Can we obtain a copy of the IOSA Audit Report (IAR) of an audited airline?

A: *The audited airline is the sole owner of its IAR. An interested party desiring access to an IAR must submit an application to IATA, which retains electronic versions of IARs in a custodial capacity. Any and all requests for access to an IAR must be expressly authorised by the audited airline before IATA will grant access.*

Q: What is the valid term for IOSA Registration?

A: *Registration is valid for a period of 24 months from the closing meeting. IATA will provide notification for audit renewal for carriers that are on the IOSA Registry.*



6. IOSA Registry (continued)

- Q:** What is the time period from the completion of the audit (i.e. closing meeting) until publishing of the report?
- A:** *The AO must complete the IOSA Audit Report (IAR) and submit it to the airline within 15 business days of the closing meeting. Audit closure will be declared when the AO has verified that all findings have been closed satisfactorily.*
- Q:** Typically, how long will it take to obtain access to an IAR?
- A:** *There has been no defined timeframe, but the time allows for IATA's quality processes to be completed. IATA will make every effort to minimize the time period, but ultimately the time will depend on the response of the audited airline to the request.*
- Q:** As an airline, we are concerned about sharing data with other parties. What is IATA doing to ensure security and privacy of the IAR?
- A:** *IATA is the custodian of IARs. The audited airline, as sole owner of the IAR, must authorize any and all access. As part of the quality management system, IATA has formal processes in place to ensure the security and confidentiality of the IAR.*
- Q:** Is there a certificate for an accomplished audit?
- A:** *An airline that is audited and meets IOSA standards is added to the IOSA Registry at the point of audit closure. At that point in time, IATA issues a formal, dated certificate of registration to the airline.*
- Q:** Upon entering into the IOSA Registry, can we market our airline's status as an IOSA Operator?
- A:** *Yes. We encourage airlines to promote IOSA, but all external references to IATA or IOSA must be first approved by IATA. Aspects such as these are contained in the Audit Agreement, which is a tri-partite contract entered into by the Auditee Airline, the Audit Organisation, and IATA.*

7. Audit Cost

- Q:** How much will audits under IOSA cost?
- A:** *IATA does not set the audit prices. The cost of audits under IOSA will differ based on geographical location, size of airline, facilities and corrective actions required. We invite all interested parties to contact one or more of the IOSA Audit Organizations for a free quotation.*

Here are the main elements related to audit pricing, summarized:

- Airlines wanting an IOSA audit are free to seek quotations from any of the accredited Audit Organisations (AOs)
- For 2004, the price of that audit relates solely to the effort required by the AO - the \$15k programme administration fee charged by IATA is waived
- The audit price relates to the fact that roughly 1000 SARPS are examined, hence the amount of effort does not vary radically according to the size of the airline
- An airline that is well prepared, i.e. has set up its operations taking full account of the IOSA Standards Manual, will require less AO effort
- The typical audit so far seems to consume approximately 30 auditor mandays on-site; there is additional work in pre-audit, preparation, report-writing, administration and confirmation of corrective actions
- IATA quality assurance is in place to ensure common standards and repeatability across all AOs; each new AO is observed, by IATA, on its first two audits and then at intervals thereafter
- The Programme has oversight from the airlines and Regulatory Authorities via the IOC



7. Audit Cost (continued)

- Q:** I heard that the cost of an IOSA audit is \$75,000...
- A:** *There is no fixed fee for an audit under IOSA; each Audit Organisation will charge according to its own cost base. IATA has accredited multiple AOs around the world to compete for auditing work. When seeking an audit, airlines will realize that AOs charge different prices.*
- Q:** Does IATA provide any pricing guidelines to Audit Organisations (AOs)?
- A:** *No. IATA has provided a sample Request For Proposal (RFP) template that each AO must use in providing an audit proposal to an airline (see Sample B). This RFP template standardizes the bidding process, enabling airlines to easily compare pricing levels between different AOs. The template shows a breakdown of the direct and variable costs that make up the total price of the audit.*
- Q:** How many auditors and days does it take to conduct an IOSA audit?
- A:** *The AO will evaluate the resources needed for a particular audit, but an audit would typically be performed by six auditors for a period of five days.*
- Q:** We have heard of varying prices of an IOSA audit. How does IATA ensure that the costs of an audit are not too high, especially for smaller carriers?
- A:** *The cost of an audit will be agreed upon between the chosen AO and the airline to be audited.*
- Q:** Are the costs of IOSA audits the same for smaller sized airlines compared to larger ones?
- A:** *The objective of IOSA is for AOs to deliver a consistent quality audit based on internationally-recognised standards, so the costs may or may not be lower. The advantage of smaller airlines is primarily the location of facilities, and the need to schedule less interviews since some employees may have multiple job functions. In general, the size of an airline does not have a major influence on the cost, since the same number of Standards will need to be audited, regardless of the size of the airline.*
- Q:** Are travel costs included in the cost of an audit?
- A:** *It is up to the airline being audited. The RFP summary sheet (Sample B) categorizes travel as a variable cost and lets the airline decide as to whether it wants to provide free travel costs for the Audit Organisation.*

Sample A - IOSA Audit Checklist

How to seek an IOSA Audit

- Procure a copy of the IOSA Standards Manual (ISM) and Checklists
- Distribute the individual sections of the ISM to the appropriate departments
- Contact IOSA Audit Organisations (AOs) for information and quotes. A list of AOs are at www.iata.org/iosa/accreditation
- Internally prepare for an audit using the ISM and Checklists
- Schedule an IOSA Audit and sign tri-partate agreement (Auditee-AO-IATA)
- Host the IOSA Audit
- Pay for the Audit (payment schedules may vary)
- Based on the IOSA Audit Report, perform corrective actions (according to the IPM, an Operator has 12months to complete all corrective actions, but many airlines are keen on completing this as soon as practicable).
- On successful closure of all corrective actions, operator is entered into the IOSA Registry. For a list of airlines on the IOSA Registry, go to iosa@iata.org/iosa/registry

* Note: if you have additional questions regarding how to seek an IOSA audit, the IOSA Programme Office is reachable via e-mail at: iosa@iata.org or by telephone +1 (514) 874 0202 Ext. 3246

Sample B - RFP Summary Sheet

When an airline contacts an Audit Organisation (AO) for a price quotation, each AO must provide this RFP summary sheet with their quotation. This sheet makes it easier for airlines to visualize the cost of an audit.

PRE-AUDIT	COST	DESCRIPTOR
Direct Costs		
Pre-audit visit		
Variable Costs		
Air travel		
AUDIT	COST	DESCRIPTOR
Direct Costs		
Audit Preparation		
Audit Fees		
IOSA Registration Fee	(\$15,000.00 Registration fee waived by IATA in 2004)	
Variable Costs		
Air Travel		
Hotel		
Local Travel		
Miscellaneous		
TOTAL DIRECT COSTS	\$ -	
TOTAL VARIABLE COSTS	\$ -	
Direct + Variable Costs	\$ -	
AUDIT FOLLOW-UP	COST	DESCRIPTOR
Audit Fees		
Miscellaneous		