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ARGUS PROS SPECIAL RELEASE

2013 SMS Audit Results

PRISM ANALYSIS OF THE ARGUS PROS AUDIT RECOMMENDATIONS FOR SAFETY MANAGEMENT

Each year, ARGUS PROS audits a significant number of operators from both private and commercial flight operations. All aspects of the flight operation are reviewed during each audit, to include the organization’s safety management system.

This report is a summary of those audit results, compared to the ARGUS Platinum Standard or IS-BAO, in the measure of safety management effectiveness. These audits follow a “systems” and “process” methodology, and are not exclusively focused on compliance.

The goal of each audit is to seek evidence of effective and efficient operations and industry best practices, including implementation of a safety management system (SMS) as defined by IS-BAO and FAA AC120-92A.

The objective of this report is to highlight those recurring deficiencies found in SMS implementation and execution. A view into this industry wide aperture helps aviation operators focus their efforts on common deficiency areas cited by auditors, and use this information to improve their own SMS implementation and execution efforts.

PRISM, a wholly owned subsidiary of ARGUS International, Inc., is an industry-leading provider of Safety Management Systems (SMS) solutions, an FAA recognized certification consultant and is designated by IBAC as an IS-BAO Support Services Affiliate.

ARGUS PROS (Partners and Resources for Operational Safety), a wholly-owned subsidiary of ARGUS International, Inc., is a worldwide leader in performing on-site safety audits for commercial air carriers, corporate flight departments, charter operators, helicopter, and special purpose aircraft operators. ARGUS PROS is an experienced quality and safety assurance provider, and committed to supporting and enhancing safety initiatives for operators worldwide.

Top 5 SMS Recommendation Areas

- 71%- IEP
- 61%- SMS Training
- 52%- SMS Manual
- 45%- Hazard Reporting
- 43%- Risk Assessment

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UNDERSTANDING THE ANALYSIS AND THE RESULTS

A total of 75 audits were analyzed spanning the period from January 1, 2013 to December 31, 2013.

The figures contained in this report represent analysis of operators that had deficiencies in a particular SMS focus area. Even though an ERP is placed under the umbrella of SMS, the results of this report are separated into SMS elements and ERP elements. For example, based on the 75 operators audited there was a 12% deficiency frequency in the area of Emergency Response Program (ERP) Documentation.

The majority of the 2013 audit findings point to deficiencies in Internal Evaluation Programs (IEP) and Safety Training. An IEP is especially important because of its design, seeking to uncover latent process or program weakness within operations and maintenance focus areas before they become causal factors in an accident or incident. Regarding safety training, a lack of continuing education and SMS training for safety managers accounted for many of the recommendations in the area of SMS training. Participation in self-development, and safety conferences and courses is very important for safety managers to initiate and continue increased understanding of safety management concepts and practices.
INTERNAL EVALUATION PROGRAM—71%

SAMPLE AUDIT RECOMMENDATIONS:
- IEP should include the identification of the root cause of the non-conformity, as well as a recordkeeping system for all evidence related to the audit, finding, and the corrective action.
- A comprehensive IEP is in place, however due to the recent growth and management changes it is recommended that it be reviewed to ensure that it is appropriate for the current size and scope of the operation and to establish and document an audit schedule.

SAMPLE GUIDELINES:
- The IEP should contain a documented process for: assigning responsibility, conducting audits, identifying and mitigating hazards/deficiencies and a corrective action.
- IEP auditors should receive training in conducting audits.
- IEP should be conducted in accordance with the operator’s Safety Management System manual.

SAFETY MANAGEMENT SYSTEM TRAINING—61%

SAMPLE AUDIT RECOMMENDATIONS:
- Continuing education and SMS training should be provided to the Safety Manager/Director.
- Develop training and evaluation for all personnel on the SMS specific to each individual’s involvement. A documented training syllabus appropriate to employee levels of involvement should be included.

SAMPLE GUIDELINES:
- Annual safety training for employees is necessary.
- Training should include risk assessment and analysis, aircraft accident investigation, hazard reporting & tracking, and root cause analysis.
- Training options can include online, classroom, or seminar.
- There should be initial and recurrent SMS training.

SAFETY MANAGEMENT SYSTEM MANUAL—52%

SAMPLE AUDIT RECOMMENDATIONS:
- Create a Management of Change (MOC) process to follow and document anytime a change of personnel, equipment, material or environment might affect the company risk profile.
- The Safety Management System Manual needs to be reviewed to ensure that it is appropriate for the size and scope of the company.
BREAKDOWN THE SAFETY MANAGEMENT SYSTEMS RECOMMENDATIONS

SAMPLE GUIDELINES: The SMS manual should be:
- A distinct, controlled document, or a defined part of a GOM.
- Reviewed and controlled by an assigned manager.
- Tailored to the operation (i.e. company organizational chart, risk assessment process, IEP process, etc.).

HAZARD REPORTING – 45%

SAMPLE AUDIT RECOMMENDATIONS:
- Strive to get more reporting activity by encouraging reports of incidents and occurrences through the hazard reporting system.
- A formal hazard tracking program should be developed and implemented that includes a root cause or contributing factor process.

SAMPLE GUIDELINES:
- Identify existing and potential hazards through a reporting system.
- Track hazards to prevent reoccurrence.
- Define a process for hazard identification and tracking.
- Communicate to employees that reporting is non-punitive.
- Promote reporting to increase participation.

RISK ASSESSMENT – 43%

SAMPLE AUDIT RECOMMENDATIONS:
- Recommend the creation of a Company Risk profile or operational risk management, complete with risk assessment, documentation of risk rating and documented mitigation processes/procedures/policies. Review profile annually.
- Consider expanding the flight risk assessment process to utilize a pilot Flight Risk Assessment Tool (FRAT) for each flight.

SAMPLE GUIDELINES:
- A risk assessment should be performed when it is determined there is an elevated level of risk.
- Risk assessment is appropriate when there is a change in the mission, operating environment, procedures, etc.
- Risk mitigation may change company policy or create a new procedure.
- Define the complete risk assessment process in the SMS manual.
SAFETY COMMITTEE – 40%

SAMPLE AUDIT RECOMMENDATIONS:
- A review of the Safety Committee meeting schedule and meeting report process should be completed to ensure that the process is effective and appropriate for the size and scope of the operation and conforms to SMS manual requirements. Minutes of the meetings should be distributed to employees and kept on file. Minutes should reflect old and new business and whether an issue is open or closed.
- Include employees and upper level management from other departments in the committee meetings.

SAMPLE GUIDELINES:
- Meeting schedule is established, meetings follow an agenda and are documented with minutes.
- Agenda items are IEP findings, hazard reports, risk assessments, etc.
- Reflect open and closed items or suspense dates in meeting minutes.
- Membership should include management, and representatives from each functional area of the company.

GENERAL OPERATING MANUAL – 32%

SAMPLE AUDIT RECOMMENDATIONS:
- Management should revise the organizational chart to reflect real time information.
- Recommend that the reporting structure of the safety manager be revised so that the GOM and the SMSM are consistent.

SAMPLE GUIDELINES:
- Contain accurate descriptions of a safety system.
- Contain an accurate outline of safety officer/manager responsibilities.
- Maintain consistency with SMS manual.

SAFETY POLICY – 31%

SAMPLE AUDIT RECOMMENDATIONS:
- Prominently post the safety policy statement in operational areas of the facility including in the Safety Forum.
- Recommend that the accountable executive develop a safety policy letter that includes a commitment of personnel and resources to support the safety system. This should be added to the SMS manual.

SAMPLE GUIDELINES:
- A safety policy statement signed by an executive will help establish a positive safety culture and should be clear in its non-punitive posture.
- Policy statement should be reflected in the GOM/FOM and SMS manual.
- Policy statements should be reviewed and updated periodically.
- A rewards program can help encourage personnel to participate in an SMS.
Fatigue Risk Management System (FRMS) – 24%

SAMPLE AUDIT RECOMMENDATIONS:
- Develop a fatigue management system to be included in the GOM, International Flight Manual, and the SMS Manual that also includes policies and procedures for maintenance personnel.
- Recommend enhancing the FRMS to include documentation of contributing factors to fatigue and available mitigation techniques.

SAMPLE GUIDELINES:
- Transient and cumulative fatigue should be addressed in the flight and duty time limitations.
- Define processes and procedures for measuring, modeling, managing, mitigating, and reassessing fatigue risk.
- Define and document an FRMS policy.

TOTAL CY – 2013 RECOMMENDATIONS ALIGNED UNDER THE FOUR SMS PILLARS

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**Number of 2013 Audit Findings Shown in Column**

- Safety Policy: 137
- Safety Risk Management: 114
- Safety Assurance: 53
- Safety Promotion: 47

*All ERP recommendations are included under Safety Policy*
BREAKDOWN: THE EMERGENCY RESPONSE PROGRAM RECOMMENDATIONS

**ERP DRILLS— 15%**

**SAMPLE AUDIT RECOMMENDATIONS:**
- Operation needs to complete a full table-top ERP exercise that includes all management, go-team, and other personnel that will assist in an accident/incident.

**SAMPLE GUIDELINES:**
- A drill should be conducted to verify the ERP will work properly, and include all appropriate personnel.
- All personnel with responsibilities in the ERP should receive training in conjunction with drills.

**NEXT-OF-KIN NOTIFICATION AND FAMILY ASSISTANCE— 15%**

**SAMPLE AUDIT RECOMMENDATIONS:**
- A process should be developed for the selection and training of Family Assistance and Next-of-Kin (NOK) personnel.
- Document in the ERP a policy regarding employee crisis support/counseling after an emergency.
SAMPLE GUIDELINES:
- N.O.K. notification is accomplished by HR or local law enforcement with follow-up by senior management.
- Support options for family transportation to the accident should be considered.
- The selection process, duties/responsibilities, and training of N.O.K. and family assistance personal should be documented.

**EMERGENCY RESPONSE PLAN DOCUMENTATION— 12%**

SAMPLE AUDIT RECOMMENDATIONS:
- Explicitly document the location and necessary equipment for the Emergency Response Plan (ERP) Crisis Center.
- Document procedures to following if an inflight incident involving injuries or serious medical problems suffered by the crew or passengers occurs.

SAMPLE GUIDELINES:
- The ERP can be a stand-alone controlled document or identified within the SMS manual.
- Every portion of the manual (handouts included) must be current via a revision control process.
- Go-team responsibilities should be documented.
- Employee responsibilities should be included.

**GO-TEAM— 11%**

SAMPLE AUDIT RECOMMENDATIONS:
- Provide go-kit and set up an inspection schedule for the go-kit to ensure all equipment is serviceable, kit is complete and ready to be deployed.
- Key ERP team members need backup/alternates assigned.

SAMPLE GUIDELINES:
- If the company conducts international operations go-team members should be required to maintain a current passport.
- Training and responsibilities of each go-team member should be documented.

**BLOODBORNE PATHOGENS AND PERSONAL PROTECTION EQUIPMENT (PPE) TRAINING— 9%**

SAMPLE AUDIT RECOMMENDATIONS:
- Employees trained as part of the go-team should be Hepatitis-B inoculated. Statement of declinations should be recorded.
- It is recommended that Bio-hazard suit and blood-borne pathogens training be conducted and documented.

SAMPLE GUIDELINES:
- Go-team receive blood-borne pathogens and PPE training and be offered the Hepatitis B (HBV) inoculation.
- In the case of a team member who refuses the inoculation, a signed, written waiver must be documented; without these items on-scene access to an accident will likely not be granted by the NTSB.
- ERP responders should also be cross-trained for other positions and/or alternate employees selected to fulfill their duties in the event a go-team responder is unavailable.
MEDIA – 4%

SAMPLE AUDIT RECOMMENDATIONS:
• Recommend media statements and news releases should be drafted and added to the Emergency Response Plan.

SAMPLE GUIDELINES:
• A standard media statement should be readily available.
• Guidance describing statements should be given by designated senior personnel and no other statements by other employees should be made.
• For inquiries, a name, company, and phone number should be taken and a return call made at the discretion of management.

NTSB ACCIDENT INVESTIGATION TRAINING – 1%

SAMPLE AUDIT RECOMMENDATIONS:
• The go-team members have not received training on NTSB party participation.

SAMPLE GUIDELINES:
• Designated on-site responders should have formal training in the NTSB party process and accident investigation.
• NTSB accident investigation orientation training for aviation operators is available.
COMPARISON OF THE 2013 v. 2012 SAFETY MANAGEMENT SYSTEMS RECOMMENDATIONS

The number of audit findings are shown in each column. The Y axis provides a percentage value indicating the frequency of occurrence across all audits.
COMPARISON OF THE 2013 v. 2012 EMERGENCY RESPONSE PROGRAM RECOMMENDATIONS

**Emergency Response Program Recommendations**

- Drills: 15%
- NOK/Family Assistance: 15%
- Documentation: 12%
- Go Team: 11%
- BBP PPE: 9%
- Media: 4%
- NTSB: 1%
- Checklists: 0%

Recommendations out of 75 Operators

*The number of audit findings are shown in each column. The Y axis provides a percentage value indicating the frequency of occurrence across all audits.*
Safety Management System Recommendations

- **SMS**
  - Internal Evaluation Program: 53 findings in 2013, 46 in 2008-2012
  - SMS Training: 29 findings in 2013, 29 in 2008-2012
  - Risk Assessment: 18 findings in 2013, 18 in 2008-2012
  - Safety Committee: 34 findings in 2013, 14 in 2008-2012
  - Safety Policy: 8 findings in 2013, 18 in 2008-2012
  - hazard Reporting: 18 findings in 2013, 0 in 2008-2012

- **ERP**
  - PRISM SMS Audit Results 2013
  - argus.sales@argus.aero
  - +1 513.852.1010

*The number of audit findings are shown in each column. The Y axis provides a percentage value indicating the frequency of occurrence across all audits.*
SMS AND ERP SUMMARY FROM 2008-2013

**Safety Management System Recommendations**

- **Internal Evaluation Program**: 49%
- **SMS Training**: 48%
- **SMS Manual**: 41%
- **Operations Manual**: 37%
- **Risk Assessment**: 31%
- **Safety Committee**: 30%
- **Safety Policy**: 24%
- **Safety Policy**: 24%
- **Hazard Reporting**: 19%
- **FRMS**: 5%

*The number of audit findings are shown in each column. The Y axis provides a percentage value indicating the frequency of occurrence across all audits.*

**Emergency Response Program Recommendations**

- **ERP Documentation**: 28%
- **BBP/PPE/Hep B Inoc**: 27%
- **NOK Notification/Family Assistance**: 22%
- **Go-Team**: 22%
- **ERP Drills**: 17%
- **NTSB Training**: 14%
- **Checklist**: 7%
- **Media Statement**: 6%

*The number of audit findings are shown in each column. The Y axis provides a percentage value indicating the frequency of occurrence across all audits.*
SMS AND ERP SUMMARY—AVERAGE NUMBER OF RECOMMENDATION PER AUDIT

Average SMS and ERP Recommendations per Audit

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