

IS-BAO Policy 2020-01 - Revision 5

Subject: International Standard for Business Aircraft Operations (IS-BAO) Covid-19 Remote Audit Option

Effective Date: 31 March 2022 through 31 December 2022

1 Purpose

In response to the demanding times currently being faced by aviation professionals and organizations, as communicated in the IBAC INFO – Covid 19 IBAC Programme Auditing Mitigation Option, since March 18, 2020, IBAC has been allowing remote auditing registration audits to support operators whose registration is about to expire as the world faces the restrictions imposed by several governments to fight the Covid 19 pandemic. This document details the conditions, limitations, procedures and guidelines that apply to remote audits conducted for the IS-BAO programme under this temporary mitigation option for discretionary use where socially responsible.

Taking into account the continued impacts of Covid-19 and the information and feedback gathered in the remote audits conducted between the months of March 2020 and March 2022, Revision 5 to this document expands the applicability of this Policy through December 31, 2022 (unless modified by IBAC) to further support the operators registered in the IS-BAO programme.

Note 1: Operators located in countries or regions where restrictions are less limiting might choose to undergo a traditional onsite audit, which is the preferred method for the IS-BAO audits where possible. The limitations and conditions described herein do not apply to traditional onsite audits.

Note 2: Operators located in countries or regions where restrictions are more limiting, to the point of not allowing compliance with the conditions described herein for a remote audit, are encouraged to contact the Audit Manager to discuss possible alternatives.

Note 3: This policy applies to any segments of an audit that are to be conducted remotely – including hybrid audits with one auditor onsite and another auditor conducting part of the audit remotely, or audits where one or more bases are visited in person while other bases are inspected remotely, for instance. All the policies and procedures described in this policy are to be complied with for the segments of the audit that are to be conducted remotely, including the requirement to obtain authorization from the Audit Manager prior to the audit.

2 Policy

2.1 Minimum Conditions for Remote Audits

Remote auditing provides flexible conditions for the conduct of an audit. However, it must also be recognized that not being onsite poses significant additional challenges for the auditor with regards to the assessment of the audited organization, especially in relation to the auditor's ability to assess the organization's culture. It is therefore important that the following conditions be met for the conduct of the audit in this mode:

- When selecting an auditor to conduct a remote audit, it must be taken into account that regulatory differences, language differences, time zone differences and even regional technology restrictions can impose additional difficulties to the conduct of a remote audit. To mitigate these challenges, operators should choose an auditor from the same region as the organization. When it is not possible for the operator to select a regional auditor, the Audit Manager shall be informed of the situation for concurrence and acceptance of the operator's plan.
- Auditor and operator must, prior to the audit, verify and ensure that appropriate connection conditions and tools are available. That entails ensuring that the auditor, as well as all operator personnel to be interviewed, have internet connections that are suitable for the audit to be conducted appropriately, at the location where the audit will be conducted (in the company offices and hangars, in countries where access to the company is not restricted, or at home where employees are not allowed to enter the company facilities); and selecting the virtual connection tools to be used for sharing of documents (e.g. Dropbox, Box, etc.) and for video conferencing (FaceTime, Tango, Kix, WhatsApp, Skype, Google Meet, Microsoft Teams, etc.). See item 4 for additional information.
- Systems and records related to the audit (e.g. training records, maintenance tracking system, maintenance controls and records, flight scheduling and planning systems, flight records, SMS records including hazard reports, Internal Evaluation/Audit and Management of Change records, SPI monitoring records, etc.) must be accessible and available for demonstration to the auditor either via electronic sharing, or via video conferencing (sharing screen or showing hard copy records).
- Operator must ensure its staff involved in the audit are available and engaged in the auditing process throughout the audit.
- Auditor must maintain and exercise control of the audit process at all times.

2.2 Limitations

Similar to in person audits, there would be no limitations to the operator's resulting registration recommendation in terms of Stage or registration period as a result of a remote audit conducted in accordance with this policy, as long as:

- The operator is able to access the facilities and (some of their) aircraft for the auditor to remotely inspect;
- The auditor is granted access to the operator's systems and/or is able to verify all necessary records electronically;
- The auditor is able to conduct informative interviews with a representative sample of personnel in both management and non-management positions, via video conferencing rather than only voice conferencing/calls; and
- The operator personnel demonstrate an appropriate degree of engagement during the audit.

Where one or more of the conditions above cannot be met, the following limitations will apply as appropriate to that particular audit:

- Stage upgrades from (from Stage 1 to Stage 2 or from Stage 2 to Stage 3) may not be authorized;
- Registration lengths may be limited to 1 year (vs. 2 or 3 years) or 2 years (vs. 3 years).

These limitations may also apply where there are concerns related to the operator's performance in the past audit and/or to significant changes that might have occurred in the operator's organization since the last audit.

3 Procedures

The policies and procedures stated in the APM remain valid for the remote audits conducted in accordance with this document, except where the imposed social distancing restrictions make compliance with the APM policies impossible or impractical (e.g. representative aircraft inspections might not be possible due to access restrictions in some places). Additionally, the following procedures must be followed:

3.1 Planned Audit Notification

The Planned Audit Notification must be submitted by the auditor via the PAN form in the auditor portal, as usual. Apart from the PAN, the auditor must also send an e-mail to the Audit Manager (isbaauditmanager@ibac.org), copying the operator's point of contact, requesting authorization for

the audit to be conducted remotely.

This e-mail shall include the following information:

- Information on the operator's current operations and restrictions, in particular whether it will be possible to remotely inspect the operator's offices, hangars and aircraft;
- Description of the operator's record systems for the various areas covered by IS-BAO (e.g. maintenance records, training records, SMS records, flight records, etc.), including if the records are kept in hard copy or electronically and, where electronic records are maintained, which system(s) is(are) used to store them;
- Possibility of allowing the auditor(s) a read-only access to the operator's systems, at least for the duration of the audit;
- Tools to be used for exchange of documents and for video conferencing during the audit, and information on any tests conducted before the PAN; and
- Any major changes in the organization's structure that took place since that organization's last IS-BAO audit (including, but not limited to, changes of key personnel, changes in fleet or bases of operation, buy-outs or mergers, etc.).

Upon receipt of this e-mail, the Audit Manager will review the information therein as well as the operator's history in the program, and may contact the auditor and/or the operator POC if he so deems necessary. The Audit Manager will respond to the auditor's e-mail indicating whether:

- the remote audit is authorized as indicated in the e-mail, or if any changes are necessary, and
- if any limitations to Stage upgrading or to the registration length would apply for that audit.

For operators that use the IS-BAO for regulatory purposes (e.g. operators with OTAR-registered aircraft), the operator must notify their CAA of the proposed course of action for the audit, and notify IBAC of any additional restrictions, conditions or considerations that might be imposed by the CAA.

For remote or onsite audits that will be monitored remotely, auditor and operator must make sure that the IT infrastructure to conduct the remote monitor(s) will be available. As part of that verification, auditor and operator must ensure there are no limitations to the number of simultaneous logins or duration of the call that would impair the conduct of the monitor(s) and prepare alternate plans should the selected remote connection tools fail. Auditor and operator must also coordinate with the monitor(s) to conduct a test call prior to the audit.

3.2 Audit Procedures

Audit procedures must follow the policies of the Audit Programme Manual, except where the imposed social distancing restrictions make compliance with the APM policies impossible or impractical. These exceptions must be detailed in the Audit Summary of the Audit Report.

All audit reports must also include, in the Audit Summary section, a description of how the audit was conducted, covering aspects such as the virtual meeting tools that were used, means used for inspection of facilities and aircraft and for the conduct of interviews with line staff, the degree of participation from the operator's staff, any challenges faced during the audit, etc. The Audit Manager may, during the review process, demand additional actions to be taken by the auditor before acceptance of the audit.

Additionally, auditors should consider the effects of the social distancing restrictions that might have been in place for weeks prior to the audit when reviewing the operator's records; for instance, it would be understandable if the operator was unable to send some of their staff to in-person training in the weeks prior to the audit due to those restrictions, and this should be taken into account when assessing whether a finding would apply or not. These situations should, nonetheless, be recorded in the Audit Report for awareness of the IBAC audit review team and for future reference.

The conduct of the audit must follow what is described in section 4, Guidelines for the Conduct of Remote Audits, of this document.

For remote or onsite audits that will be monitored by IBAC remotely, auditor and operator must make sure the monitor(s) is(are) connected and able to observe the audit as necessary for the conduct of the monitor. In case of a technical difficulty the auditor(s) will temporarily suspend the audit until the connection between all participants is reestablished, including the monitor(s).

3.3 Post Audit

The audit review process and policies are unaffected and will be applied as usual for remote audits conducted in accordance with this document. However, it is understood that the restrictions currently in place, as well as the measures that the organizations will need to put in place to cope with the pandemic and its effects on its business, might affect the timeliness of implementation or remedial actions to findings that may be identified during the audit. Extensions to the 90-day period prescribed in the APM for remediation of findings may be requested to the Audit Manager (isbaauditmanager@ibac.org) detailing the circumstances preventing completion within 90 days,

and may be granted by the Audit Manager within reason.

4 Guidelines for the Conduct of Remote Audits

Preparation for any audit is crucial, and even more so when the audit is to be conducted remotely. Auditors should begin the audit documentation process a week or two in advance so that time spent in virtual discussions can be used more efficiently. Experience shows that long remote audit days can be tiring and ineffective; auditors and operators are therefore encouraged to plan for the audit in a way to allow for a maximum of 4 to 5 hours per day in front of the computer screen where possible. Although this results in an audit spanning a higher number of days, it provides for a more efficient and positive overall experience.

Auditors may also consider asking the operator to prepare videos on the aircraft and facility before the audit, providing the operator with a detailed list of those items to be highlighted in the video tours of the aircraft and facilities. Although this does not replace the live inspections of the facilities and aircraft, it allows for a more efficient use of the time on those live inspections by focusing on specific areas of interest or concern. Auditors should also coordinate with the operator on a detailed agenda for the audit.

When conducting an audit remotely, it is essential that the auditor maintain control of the audit at all times. Provide direction to the operator as to what you would like to see, what records you would like to sample and who you would like to interview. Be sure to keep the random element in your sampling.

Request read-only access to relevant software systems used for things such as SMS management, maintenance tracking, flight scheduling, etc. Even if the operator cannot grant you access to the programs, you can have them demonstrate the use in front of the video camera that you are using for the audit, or by sharing their screen depending on the remote connection tools being used for the audit. The same is true for paper copy documents which you should request the operator to hold up in front of the camera or send you a picture so that you can see them. Again, be sure that you are telling the operator what documents it is that you would like to see, rather than letting them pick the documents for you.

Appropriate technology is essential for a successful remote audit. Be sure to inform the operator of the platform you wish to use to conduct the audit. If you don't have access to an online video conference calling program, consider using programs like FaceTime, WebEx, Zoom, GoToMeeting, Tango, Kix, WhatsApp, Skype, Google Meet, Microsoft Teams, etc. The choice of the program needs to be discussed beforehand to ensure that the operator and auditor both have personal electronic

devices that are capable of using the selected platform as some of these apps are exclusive to certain device brands. For example, FaceTime works only on Apple products. Also, make sure that all participants in the audit process are familiar with the devices and technology that you intend to use so that they can be comfortable facilitating the remote audit. Note that several providers of video conferencing services already experience difficulties because their digital infrastructure wasn't scaled to meet the sudden surge in demand created by covid-19. You are expected to test the service with the operator representative and foresee a back-up plan ahead of any virtual meeting. Additionally, if, despite the tests previously conducted, the technology starts degrading during the audit to the point where video and/or audio quality is compromised, the audit should be paused until the issue has been resolved, even if this means that segment of the audit will have to be continued in another day. Planning for an additional day to cover such possible contingencies is recommended.

Adequate internet access is also required. The operator must have the broadband width to reliably transmit video and audio for this type of audit. This must be available at each location in their facility that the auditor will need to visit including on board the aircraft during the inspection, for audits where access to hangars and aircraft is possible; and for each person that will need to be interviewed, wherever they are located during the audit. This can be challenging for some operators that have the aircraft parked on the ramp or do not have wireless internet access in the hangar.

Interviews of front-line personnel are still required during a remote audit. It is important to ascertain the overall culture of the organization to the best extent possible. If the operator is not able to provide you visual access to the employees due to technical logistics, ask them to provide you with a list of employees and their phone numbers. Ask for this list to exceed the number of interviews that you intend to conduct so that you can choose someone at random from the list for the interview. Video conferences are expected and should always have overriding priority over any other way of interviewing operator personnel. Seeing people's reaction to questions and dialogue provides valuable information to aid in performing an audit, in building confidence, and in keeping the whole experience as human and mutually valuable as possible. Also plan on spending a few minutes to set both the scene and the mood with some informal talk. Keep it professional but try adding a little of your own 'voice' to give the person on the other side of the line a sense of who you are the context and purpose of the interview, just as they would have in a face-to-face meeting. Auditing is a profoundly social activity and must remain so regardless of the geographical distance.

Ask the operator to inform the employees that they might get a call from an auditor and that it is okay for them to talk candidly with you. Be sure to ask the operator to provide phone numbers for employees that you can call without disturbing anyone who is on a crew rest period.

Do not lose sight of the possibility that health issues may suddenly arise on all sides and severely disrupt the audit plan, possibly at the last minute. Contingency plans and alternatives should be considered and ideally be included in the written agreement between the auditor(s) and the operator.

Follow-up and respond to e-mail quickly and appropriately. Inconsistent e-mail communication and silence quickly destroy trust in ‘virtual’ projects. Whenever possible, respond to non-urgent e-mails within one business day, and obviously sooner if it’s urgent. If more time is needed, quickly acknowledge receipt and let your interlocutor know when you will be able to reply.

4.1 Guidelines for conduct of remote aircraft inspections, where possible

Performing the aircraft inspection remotely can be challenging if the auditor is not prepared or loses control of the audit process. It is essential that you direct the operator as to what you want to see and when. For instance, ask the operator to focus the video device on exactly what you want to see and when you are satisfied with each item, instruct them what to show you next. It is unacceptable for an interviewee to just wave the camera around the cabin and not show you anything of substance.

- Prior to the aircraft inspection, have the operator send you an electronic copy of the passenger briefing card for the aircraft that you will inspect. Have this on hand during the inspection.
- Ensure that the operator has the necessary technology, including wireless access on the aircraft and in the hangar, to support a remote inspection. This must be done beforehand to avoid delays in the audit process.
- Be sure to lead the operator through the inspection process.
- Ask them to show you the exterior of the aircraft and do a slow video walk around of the aircraft.
- Be sure to confirm the registration number on the tail and the data plate.
- Direct the operator to enter the aircraft and show you the interior in a general overview.
- Consult the briefing card and compare it to the interior layout to ensure that the card reflects the correct interior seating configuration.
- Direct the operator to take you through the aircraft, pausing to show you the locations and expiration dates of emergency equipment as they are depicted on the briefing card. Be sure to confirm that these items are placarded correctly.
- Have the operator open all storage compartments and drawers and show you the insides of these areas. Make sure that there aren’t any items of emergency equipment that are not depicted on the briefing card or that are stored in a different location from that on the card.
- Look for exit markings and other standard placards that are required by manufacturer and/or NAA regulations such as compartment weight limits, no smoking in lavatory, no cigarette

disposal on lavatory and galley trash compartments, seat position placards for taxi, takeoff and landing, table stow requirements, etc.

- Direct the operator to show you required documentation such as the aircraft registration, certificate of airworthiness, MEL, AFM, GOM, etc. Be sure to check that these documents are in current revision status.
- Ask the operator to show you the flight deck of the aircraft and inspect the area for general condition and serviceability of equipment.

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