

THREE TYPES OF SAFETY AUDITS

Capt. M.P. "Pappy" Papadakis ©

AUDITS

Safety audits are usually done by three entities, each for different purposes. The entities performing safety audits are usually some form of government regulatory agency, an insurance company, or an internal company audit.

The purposes of such audits are to check the existence, efficacy, and compliance of the existing safety program. Government audits are especially interested to check compliance with existing and published regulations and directives. The insurance company's ultimate reason for safety audits is to adjust premiums, while sometimes suggesting safety improvements that, if instituted, might reduce risk. Company safety audits are for the purpose of checking the safety programs to see what if any changes can be made to improve or adjust the programs.

Government audits are always based on checking the compliance with existing government written or approved regulations, directives or policies. Thus, each such audit or inspection derives its authority from a law, or regulation with the effect of law. More often than not, any government inspection is oriented toward inspecting paperwork records of compliance. Usually such inspections are conducted from formalized check criteria, derived from applicable laws and regulations. Large inspections are usually formalized procedures. Naturally, no inspecting team can conduct 100% inspections. These are almost always spot or sample inspections. The compliance carrot is economic in a negative sense, since non-compliance results in fines, other penalties...up to, and including loss of license and emergency grounding.

The result of many such government inspections is the initiation of disciplinary actions, taken as the result of discovered regulation non compliance. Such discipline can only be undertaken from the violation of a non discretionary duty imposed by government law, regulation with effect of law, or approved procedures whose existence derives from law. Such audits are not designed to enhance safety, or initiate change for safety; rather they are conducted to ascertain if the minimum level of safety prescribed by the government is being complied with.

The government audits and auditors are a little bit like the CPA audit of a bank, where the object is to look at the accounting books, but hardly ever checks the vaults. For instance an F.A.A. audit of Non Destructive Inspection procedures will almost certainly audit the paperwork records of inspections performed, inspect the records and capabilities (licenses and training) of the inspectors). They may even spot check the actual, work in progress on a particular aircraft... the one in the hangar. The problem here is that the auditors are not usually as qualified N.D.I. inspectors as

those doing the work. Thus the audit, audits the quality of record keeping, rather than the quality of the work performed.

Records of internal safety audits, are usually discoverable. On October 7th 1996, the Supreme Court refused to hear a case precisely on point and USAIR was ordered to turn over internal safety documents with possible relevance to the USAIR, Charlotte DC-9 crash. Results of government audits are usually releasable under FOIA and almost always discoverable.

Most recently, two exceptions to the FOIA availability of documents, snuck in to the funding provisions for the N.T.S.B. N.T.S.B. work on foreign accidents and documents voluntarily given to the N.T.S.B. by airlines from their internal safety data will not be released F.O.I.A. Expect to see these provisions tested in court.

The insurance companies are attempting to assess potential risk, in order to set premiums and to cut down on losses. In many instances the insurance companies are very efficient in matters associated with safety. Too often the insurance audits are concerned only with Plant layout and safety, that and the operational procedures and safety of an airline. In these two areas the insurer is extremely good in creating safer environments. The carrot is economic in the positive sense. Compliance with insurer's suggestions for safety may result in lower premiums. Insurer's safety audits are proprietary and closely held secrets. It is unusual that an attorney will see such documents since the insurer is almost never a defendant subject to discovery.

Internal company safety audits are by far the most critical and important for the company and for an attorney attempting to evaluate the efficacy of any safety, quality or reliability program. The audit should monitor the existence, the purpose, the plan and activity of existing programs. Hopefully there is a master plan in existence that delineates what safety initiatives and programs are in existence.

These documents will specify what other type of documents and records are to be created and filed. The program plan or master plan will in turn specify all facets of the program, and should specify what divisions or offices are responsible to perform and record data in conformance with the specified disciplines.

The program should conform to Industry standards, government regulation, and company policy.... all in accordance with accepted engineering standards known and accepted within the discipline.

A failure to have such a program is some evidence of a breach of duty. The failure of the program to meet industry standard is further indication of laxity and sub standard performance.

A program that exists to document and create records may or may not be effective in providing the desired result. The existence of a complete and correct safety, reliability or quality assurance inspection program will not in itself warrant a

better end result.

Such a program is only 1/2 way home.

The data collection process may be in place. The question is what usage is made of the recorded data.

- o Does the data recorded correlate satisfactorily to the data predicted ?
- o What provisions are made to correct deficiencies within the system.
- o How are data analyzed.
- o How are detected deficiencies corrected.
- o What feedback channels exist to correct or react to deficiency data.

One can see that a company could make a major effort to track and record the field history of its product. Such data, preserved and catalogued, while evidence of a service difficulty program, is only evidence of defect notice. Only when the company reacts, to such data, and corrects defects discovered by such record keeping programs, does the existence of such a program become defensive.

The health of any such program is only insured by a system that constantly monitors and corrects deficiencies. Safety audits should be conducted to oversee the effectiveness of the program.

The information gathering, data collection, and inspection portions of the program should be utilized and evaluated so that the end result is a constant program reappraisal designed to enhance safety. Any program that is not constantly monitored and audited will atrophy and ultimately fail.