

Developing effective compliance monitoring system in aviation industry

Compliance monitoring system is a mandatory element within management system of aviation organisation, recently introduced to Ukrainian-based companies as a part of adopted European Regulations. Therefore an approach to creating effective compliance monitoring system associated with risk assessment is provided.

Compliance program

Establishing and implementing a comprehensive compliance program requires designation a coordination for such a program with identifying risks and remediating actions. Competent authority requires aviation-related companies to develop and adhere compliance monitoring structure as its absence constitutes a violation of adopted EU regulations independent of any other discrepancies. Therefore compliance monitoring system and risk assessment are integral parts of each other, as compliance is a cornerstone for any risk assessment, whereas compliance system considers risks in developing strategies to ensure compliance within the aviation company.

Compliance structure is an answer for highly-regulated industries, in case of aviation industry EU regulations as well as national legislation requires specific managerial position accountable for monitoring compliance in an organisation. Specifically, Compliance Monitoring System is one of the safety barriers, any aviation organisation is required to establish. It means that company has to have explicit framework and strategy to ensure compliance with legislation and secondary – with other rules applicable in a company. This methodology can be observed in European Risk Classification Scheme (ERCS) supporting materials, as Member States of European Union are required to classify all occurrences using ERCS. Though the same is not applicable to companies, it is strongly advised to use abovementioned classification or, if necessary, company's classification, which can be easily and clearly translated into ERCS. Legal requirement is to have risks classification system according to Annex I of Regulation (EU) 376/2014, and as reports from an airline, an airport, and ANSP are merged into national database, where all those occurrences are assign with one ERCS score be Civil Aviation Authority.

Therefore it is only logical to include risk assessment into the Compliance Monitoring System as it concerns all the operations with Key Risks Areas, which is the basis for safe performance and determine desirable behavior within an organisation. It is acknowledge by EU regulations, that's why, as mentioned before, designated coordinator is mandatory, who establishes and implements a comprehensive compliance program with identifying risks and remediating them. Those Accountable Managers administer and oversee an organisation and provide strategic goals of the compliance system, as well as necessary policies for safe operations. One of the main function of the Compliance Monitoring Manager is to identify risks, introduce them to involved parties, including CAA and make all of them aware of those risks and potential ramifications prior to any decision making.

Summarizing, following characteristics of adequate compliance program can be deducted: compliance program is preventive and reactive simultaneously, it's strategic and constantly developing, incorporates best practices (like ERCS), which implies adopting compliance to specific regulations into all company's operations, addresses issue of culture as well as a specific employee. Another aspect of effective and efficient Compliance Program is understanding strategies of implementing rules and their introduction to make them into everyday practice. Those strategies are known for any industry: policies, standards and awareness; reporting hotline; audits and assessments; tone on the top.

Talking about compliance as a system two types of managers may be distinguished: so-called generalists and specialists. It's debatable which approach is superior, as specialists in certain areas are more familiar with particular aspect, the company's approach cannot stop there, as there is a need to pester compliance conscious culture, identify and support needed infrastructure and areas vital to regulatory compliance. Moreover, company's compliance program affects not only its employees, but contractors, affiliates, clients as well. Consequently, Compliance Monitoring Manager is recommended to operate through more unified approach and create consolidated approach and proper foundation for safety culture for compliant aviation organisation. They also are required to present training sessions to ensure awareness among employees about compliance requirements related to their responsibilities. It's also Compliance Monitoring Manager function to establish and maintain a hotline and anti-retaliation policies to stimulate reporting on any compliance failures. Further they conduct risk assessments, monitor operational activities, and are in charge of quality assurance reviews, as well as constantly overseeing company's operations. From legal requirements fixed necessary prerequisites for effective Compliance Monitoring Manager: it's independency, as they are subordinated to Director General, but any other manager(s), have sufficient resources and authority. Also some training is required along with strong belief in compliance necessity.

Organisation and personnel in order to adhere to rules, should be aware of them, therefore technologies, workflow, policies, monitoring, training and other methods are to be included into effective compliance program. And as humans are essential part of ensuring safety in aviation industry specifically, Compliance Monitoring Manager is to explore what drives desirable&undesirable behaviour, what draws attention and what distracts in achieving compliance in organisation.

On account of those, seven key elements of effective Compliance Program determined. One is standards and procedures, thus establishing clear rules of performance for all involved parties. Those can be contained in manuals, guidelines, check lists, policies, or less common for aviation industry – in codes. Anyway, and forms for this element are to some extend are unified according to requirements to manuals (Operational Manual, Safety Management Manual, Flight Operations Manual, Compliance Monitoring Manual, etc) and templates are usually developed and distributed by various European CAA. Two, assigned individual usually referred as Accountable Manager in respective regulations. Accountability is an essential part, as they need to be effective and bear overall responsibility (this part was discussed in details above). Three, delegation awareness, in other word essential parts of operations

should be carried out by disciplined employees and consequently, managers are obligated to oversee involved parties and track discrepancies and establish considerable penalties, including removing from the workplace. Four, training program and awareness. Compliance Monitoring System not only codes rules, but also implement practices, so personnel and organisation know what rules to follow. Five, monitoring, auditing and maintaining reporting line. Tools for looking for inappropriate behaviour is compulsory part, found in European Regulations, as for aviation companies to submit regular voluntary and mandatory reports to Competent Authorities. Reporting line is additional tool used to help individuals to contact with managers, when they are disturbed by some occurrences or practices. This part is especially challenging as it tests the level of trust and transparency of the organization. In order to stimulate reporting line it can be anonymous for voluntary reports. But alongside with voluntary reports, mandatory ones are established, though Compliance Monitoring Manager should address them with outmost attentiveness. It is advisable to look for the best practices for such, like, for example, IATA courses, or any other distinguished organisation. Six, discipline. By this consistent enforcement of desirable behaviour is meant. Finding and recognizing violation or discrepancy is just a half-way through of compliance, the actions must be taken. Those might address involved personnel or fault procedure; both actions and inactions are taken into the account. Last, but not least, constant reviewing of the program, responding to new information and incidents in the industry. By European Regulation Member States are obligated to store national accidents databases, which can be referred to by aviation companies.

Obviously, compliance requirements are not always met during practice, but those issued have to be tracked and investigated in order to prevent or at least reduce possibility of devastating accidents with potential for fatalities and injuries. But contemporary compliance program is set to be agile and sensitive, conciliatory to some point. It is based on time-tested methods and includes industry best practices. Nonetheless, ability to face challenges is a must, especially for Ukraine-based companies, as European regulations are gradually adopted in our country, which requires certain level of flexibility, as though European regulations are considered, they are not coded in Ukrainian legislation yet. Successful compliance program needs recognition and acceptance from participants and empowerment and independence from other management systems within an organisation. Check-box mentality should be avoided as it is a thing of past, compliance is not a linear process, for example, it's rather new thing to consider association of risk assessment with compliance and vice versa. While European Regulation not tying those two concepts explicitly, but recent guidance materials clearly indicate interconnection between those. Basically, it's a holistic approach in order to achieve balance of compliance an ethical behaviour with business goals, that are associated with certain types of risks, as they can manifest in many different ways, depending on operational specifics. Such an approach lead to understanding risks, finding methods to manage and mitigate them, then those risks are correlated with specific compliance procedures to ensure they are being addressed adequately. If not, update or addition of procedures is required. What is also should be borne in mind, even if Competent Authority finds non-compliance, unless critical severity, organisations are always given a chance to correct those, the same should be an inner practice as well.

References

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