



IS-BAO 20th Edition

Guidance - FAA Part 5

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**IS-BAO (An International Standard for
Business Aircraft Operations) Guidance**

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Introduction

Applicability

This chapter of the Guidance material does not expand on any IS-BAO Standard or Recommended Practice. Instead, it assists US operators that seek or wish to maintain FAA acceptance of their SMS under the FAA 14 CFR Part 5 - Safety Management Systems (hereinafter referred to as Part 5), by providing guidelines to assess, monitor, and manage their compliance with the regulation. In other words, this document supplements other IS-BAO Guidance material without replacing any of it.

Document structure

This chapter follows Part 5 from Subpart B to F.

Contents

Excerpts from Part 5 are provided when conformance with the IS-BAO Standard does not readily provide a comparable level of compliance with the regulation. These excerpts contain the number and title of the section, as well as the associated rule(s). Whenever conformance with IS-BAO is perceived as sufficient to comply with Part 5, only the title of the Part 5 section is provided for reference.

In the excerpts, the color blue is used solely to identify specific portions of Part 5 where conformance with IS-BAO does not necessarily equate to compliance with the regulation. In such case, the operator must supplement its existing policies, processes, and/or procedures to appropriately meet the regulation. Any other portion (i.e., in black) of an excerpt of Part 5 can be considered as met and compliant when conforming with IS-BAO.

Note: Where Part 5 refers to a “person” (i.e., typically an aviation organization or a legal entity, rather than a specific individual), the term has been replaced by [operator] in this document.

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Guidance

Subpart B – Safety Policy

5.21 Safety Policy

(a) Any [operator] required to have an SMS under this part must have a safety policy that includes at least the following:

- (1) The [operator]'s safety objectives.
- (2) The [operator]'s commitment to fulfill the safety objectives.
- (3) A clear statement about the provision of the necessary resources for the implementation of the SMS.
- (4) A safety reporting policy that defines requirements for employee reporting of safety hazards or issues.
- (5) A policy that defines unacceptable behavior and conditions for disciplinary action.
- (6) An emergency response plan that provides for the safe transition from normal to emergency operations in accordance with the requirements of § 5.27.
- (7) A code of ethics that is applicable to all employees, including management personnel and officers, which clarifies that safety is the organization's highest priority.

(b) The safety policy must be signed by the accountable executive described in § 5.25.

(c) The safety policy must be documented and communicated throughout the [operator]'s organization.

(d) The safety policy must be regularly reviewed by the accountable executive to ensure it remains relevant and appropriate to the [operator].

IBAC guidance:

IS-BAO 3.1.1 requires operators to define, communicate, and review safety objectives, whereas IS-BAO Chapter 4 requires operators to establish an Emergency Response Plan (ERP) that provides for the safe transition from normal to emergency operations. However, IS-BAO does not require to list the safety objectives or to address the ERP in the safety policy. Operators must ensure that their safety policy includes those items or references the section of their manual / documentation where such items are documented, so as to comply with 5.21(a)(1) and (6).

Similarly, IS-BAO does not specifically require a written commitment to fulfil the operator's safety objectives, nor a code of ethics, as per 5.21(a)(2) and (7). Therefore, operators need to review their safety policy and supporting documents, as appropriate, to ensure alignment with Part 5.

Finally, whereas IS-BAO 3.1.1 requires operators to clearly state that the necessary resources for the implementation of the **safety policy** will be provided, 5.21(a)(3) refers to a clear statement about the provision of the necessary resources for the implementation of the **SMS**. Although the implementation of the safety policy and of the SMS are intimately related, it is recommended that operators review the statement in their safety policy to explicitly refer to the SMS as a whole and ensure alignment with Part 5.

5.23 Safety Accountability and Authority

- (a) Any [operator] required to have an SMS under this part must define in its safety policy the accountability for safety of the following individuals:
- (1) *Accountable executive, as described in 5.25.*
 - (2) *All members of management in regard to developing, implementing, and maintaining SMS processes within their area of responsibility, including, but not limited to:*
 - (i) *Hazard identification and safety risk assessment.*
 - (ii) *Assuring the effectiveness of safety risk controls.*
 - (iii) *Promoting safety as required in subpart E of this part.*
 - (iv) *Advising the accountable executive on the performance of the SMS and on any need for improvement.*
 - (3) *Employees relative to the [operator]'s safety performance.*
- (b) *The [operator] must identify the levels of management with the authority to make decisions regarding safety risk acceptance.*

IBAC guidance:

IS-BAO 3.1.2.1 requires operators to document and communicate safety responsibilities, accountability and authorities throughout the organization, but without specifying where they need to be documented. In the interest of brevity and clarity (e.g., to avoid cluttering the safety policy and/or unnecessarily duplicating contents), and particularly since this topic can lead to lengthy descriptions, operators need to ensure that, at a minimum, their safety policy provides suitable reference(s) to the part of their documentation that addresses 5.23(a).

Additionally, IS-BAO does not specifically address the items listed in 5.23(a)(2). Therefore, operators need to review and/or document safety accountabilities, as appropriate, to ensure alignment with Part 5, particularly those of any manager. When doing so, operators could consider first defining baseline safety accountabilities that are common to all staff members, then detail ‘add-on’ safety accountabilities for each relevant managerial position, to include the minimum items listed in 5.23(a)(2)(i) through 5.23(a)(2)(iv).

Note 1 – Although minor differences between regulations and standards may exist, ‘accountability’ is often defined as an “obligation” that cannot be delegated, whereas ‘responsibility’ refers to a function or activity that may be delegated.

Note 2 – When addressing the safety accountability of the Safety Manager, operators need to exercise caution and avoid creating confusion with the safety accountability of the Accountable Executive. Safety Managers are primarily accountable for the good functioning of the SMS (e.g., as a “service” in support of organizational goals and activities), which is not identical to being accountable for the safety performance of the whole organization. As the Safety Manager’s authority is typically limited to the SMS, it would be nonsensical and legally risky to expand his/her accountability so as to match the Accountable Executive’s accountability.

5.25 Designation and Responsibilities of Required Safety Management Personnel

(a) *Designation of the accountable executive. Any [operator] required to have an SMS under this part must identify an accountable executive who, irrespective of other functions, satisfies the following:*

- (1) *Is the final authority over operations authorized to be conducted under the [operator]'s certificate(s) or Letter(s) of Authorization.*
- (2) *Controls the financial resources required for the operations to be conducted under the [operator]'s certificate(s) or Letter(s) of Authorization.*
- (3) *Controls the human resources required for the operations authorized to be conducted under the [operator]'s certificate(s) or Letter(s) of Authorization.*
- (4) *Retains ultimate responsibility for the safety performance of the operations conducted under the [operator]'s certificate(s) or Letter(s) of Authorization.*

(b) *Responsibilities of the accountable executive. The accountable executive must accomplish the following:*

- (1) *Ensure that the SMS is properly implemented and is performing across all pertinent areas.*
- (2) *Develop and sign the safety policy.*
- (3) *Communicate the safety policy throughout the [operator]'s organization.*
- (4) *Regularly review the safety policy to ensure it remains relevant and appropriate to the [operator].*
- (5) *Regularly review the safety performance and direct actions necessary to address substandard safety performance in accordance with 5.75.*

(c) *Designation of management personnel. The accountable executive must designate sufficient management personnel who, on behalf of the accountable executive, are responsible for the following:*

- (1) *Coordinate implementation, maintenance, and integration of the SMS throughout the [operator]'s organization.*
- (2) *Facilitate hazard identification and safety risk analysis.*
- (3) *Monitor the effectiveness of safety risk controls.*
- (4) *Ensure safety promotion throughout the [operator]'s organization as required in subpart E of this part.*
- (5) *Regularly report to the accountable executive on the performance of the SMS and on any need for improvement.*

IBAC guidance:

IS-BAO 3.1.2.1 requires the operator to identify the Accountable Executive who has ultimate accountability for the safety performance of the organization (see also notes 1 and 2 on previous page). Operators must make sure that the person they have identified as their AE, apart from retaining ultimate accountability for safety performance, also satisfies the 3 other aspects listed in 5.25(a); namely, that the AE:

- Is the final authority over operations authorized to be conducted under the operator's certificate(s) or Letter(s) of Authorization;
- Controls the financial resources required for the operations to be conducted under

- the operator’s certificate(s) or Letter(s) of Authorization; and
- Controls the human resources required for the operations authorized to be conducted under the operator’s certificate(s) or Letter(s) of Authorization.

Additionally, IS-BAO does not specifically address the items listed in 5.25(b)(1) through (5), and 5.25(c). Therefore, operators need to:

- Review and/or document the duties and accountabilities of their Accountable Executive to ensure alignment with Part 5. Particular attention must be paid to documenting that the AE:
 - Has control over both human and financial resources required to operate safely,
 - Designates sufficient management personnel,
 - Ensures that the SMS is properly implemented and is performing across all pertinent areas,
 - Develops and signs the safety policy,
 - Communicates the safety policy throughout the organization,
 - Regularly reviews the operator’s Safety Policy to ensure it remains relevant and appropriate to the operator,
 - Regularly reviews the operator’s safety performance, and
 - Directs any necessary action to address substandard safety performance.
- Review and/or document management personnel’s duties and responsibilities so as to ensure compliance with 5.25(c)(1) through (5).

5.27 Coordination of Emergency Response Planning

Where emergency response procedures are necessary, any [operator] required to have an SMS under this part must develop, and the accountable executive must approve as part of the safety policy, an emergency response plan that addresses at least the following:

- (a) Delegation of emergency authority throughout the [operator]’s organization.*
- (b) Assignment of employee responsibilities during the emergency.*
- (c) Coordination of the emergency response plans with the emergency response plans of other organizations it must interface with during the provision of its services.*

IBAC guidance:

Chapter 4 of the IS-BAO requires all registered operators to develop an Emergency Response Plan covering the contents listed in IS-BAO 4.1. Some adjustments may be needed to the operator’s Emergency Response document(s) to ensure alignment with Part 5. If it’s not already the case, the manual that contains the ERP must be formally approved by the Accountable Executive, and the operator’s Safety Policy must refer to the AE’s approval of the ERP.

In addition, operators need to ensure that the ERP address the aspects listed in 5.27(a) and 5.27(b), namely:

- Delegation of emergency authority throughout the organization; and

- Assignment of employee responsibilities during the emergency.

Duties and responsibilities of staff members involved in any response to an emergency should be documented as precisely as practical, and foresee the possibility of having to delegate some or all of a staff's emergency authority. The delegation process should assist in clearly identifying under whose authority certain tasks will then be performed, when and how the delegation starts and ends, and how the transfer of authority will be kept on record.

Subpart C – Safety Risk Management

5.51 Applicability

Any [operator] required to have an SMS under this part must apply safety risk management to the following:

- (a) Implementation of new systems.*
- (b) Revision of existing systems.*
- (c) Development of operational procedures.*
- (d) Identification of hazards or ineffective risk controls through the safety assurance processes in subpart D of this part.*

IBAC guidance:

IS-BAO 3.2.1 and 3.2.2 require operators to establish hazard identification and safety risk management processes. Hazards may be identified from the methods required by IS-BAO 3.2.1 (including but not limited to accident / incident investigation, voluntary and mandatory safety reporting, and review of external sources of safety information) or from various safety assurance / safety performance processes (internal audits and evaluations, safety performance monitoring and measurement, management of change, continuous improvement of the SMS, etc.). Collectively, these methods and processes cover all the triggers for Safety Risk Management listed in 5.51, since:

- 5.51(a) through (c) constitute changes to the organization's systems, processes or operational procedures and, as such, should trigger an instance of the Management of Change process established by the organization to conform with IS-BAO 3.3.2, which feeds into the Safety Risk Management process required by IS-BAO 3.2.1 and 3.2.2,
- 5.51(d) refers to hazards or ineffective controls identified through the various Safety Assurance processes required by IS-BAO 3.3.1, 3.3.2 and 3.3.3, and which also feed into the Safety Risk Management process required by IS-BAO 3.2.1 and 3.2.2.

That said, in order to ensure full alignment with Part 5, operators must ensure that their criteria to conform with IS-BAO 3.3.2 explicitly include the implementation of new systems (5.51a), the revision of existing systems (5.51n), and the development of operational procedures (5.51c). Note that IS-BAO also requires operators to establish criteria to determine which types of changes (internal and external) require the use of the Management of Change process according

to the impact on the organization's safety.

With regard to the term "system" used in 5.51.(1)(a) and (b), it should be noted that there is no strict, legal definition for 'system' in Part 5 or in AC 120-92D, which therefore allows for flexibility in applying the term. Technical systems and their associated risks can often be defined with relative ease and precision (e.g., the arrival of a new aircraft type in the fleet, the installation of in-flight Wi-Fi on aircraft, or the switch to a new maintenance tracking software, etc.). However, when it comes to teams, departments, projects, etc. the "system" being assessed may be more complicated due to overlap among those teams, departments, projects, etc. Some examples include, organization-wide software updates, new management personnel, acquiring or building a new base of operations, etc. Regardless of the context considered, all systems have a function or purpose, and are composed of elements and interconnections. Breaking down the system into these elements may be helpful for the assessment using the organization's SRM processes required under 5.53b.

5.53 System Analysis and Hazard Identification

- (a) When applying safety risk management, any [operator] required to have an SMS under this part must analyze the systems identified in 5.51. Those system analyses must be used to identify hazards under paragraph (c) of this section and in developing and implementing risk controls related to the system under 5.55(c).*
- (b) In conducting the system analysis, the following information must be considered:*
- (1) Function and purpose of the system.*
 - (2) The system's operating environment.*
 - (3) An outline of the system's processes and procedures.*
 - (4) The personnel, equipment, and facilities necessary for operation of the system.*
 - (5) The interfaces of the system.*
- (c) Any [operator] required to have an SMS under this part must develop and maintain processes to identify hazards within the context of the system analysis.*

IBAC guidance:

Flowing from 5.51, operators are now expected to build a "big picture" of their operations. Although this might be an opportunity to better understand how the organization handles normal operations and creates success for its end users and staff (safety being only one of the crucial elements of organizational success), it would nevertheless still make sense to only capture a picture of their risk landscape. If indeed, initially, only safety topics will be included in the picture, operators are highly encouraged to review or revisit existing IS-BAO guidance about Safety Risk Profiles (SRP) that can be found in the SMS Toolkit. Experience has shown that an SMS is typically more effective and more efficient when an organizational Safety Risk Profile has been intelligently set up and maintained. Moreover, the expectations for such system analyses are growing (e.g., Part 5 is an example, ICAO Annex 19 will follow).

Still flowing from the guidance in 5.51 about system components, boundaries, and overlaps with other entities, the system analysis required by 5.53(a) and (b) is expected to consider the

following aspects:

- Function and purpose of the system.
- The system’s operating environment.
- An outline of the system’s processes and procedures.
- The personnel, equipment, and facilities necessary for operation of the system.
- The interfaces of the system.

Once equipped with the “big picture”, this system analysis must be used as the foundation for the identification of hazards and the associated safety risk analysis, assessment, and control (as per IS-BAO 3.2.2).

Note – The whole point of a system analysis is not so much about having a “big picture” of the operation stored on a shelf or on an IT server for regulatory purposes only (although such static document may be useful perhaps just once), but instead to accomplish certain key tasks:

- *To assemble all staff and collectively discuss what makes work difficult, inefficient, or unsafe.*
- *The task described in the previous bullet point is easier said than done, hence the need to establish and maintain an organizational climate where all perspectives are valued and taken into due consideration, and where all risk owners receive the appropriate authority and resources to achieve their work and organizational goals. This would also include the requisite accountability and discretionary powers in case of goal conflicts and thorny trade-off decisions.*
- *To identify hazards and assess the associated risks, opening the way to the prioritization of risks and resources, and to the elimination or mitigation of those risks.*
- *To set and/or expand the “shared situational awareness” of all staff, especially management if their tasks, schedule, and/or management style deprives them from being regularly exposed to how line activities are accomplished in practice and to the variability of daily operations.*
- *To keep a trace of the consensus achieved at a certain point in time, which helps safety communication and safety training efforts, but also helps in maintaining a corporate memory over a longer stretch of time.*
- *To establish a framework and the crucial routines to ensure that the discussions about risk do not fade away in the organization.*

Regarding 5.53(c), IS-BAO 3.2.1 and 3.2.2 require operators to establish hazard identification and safety risk management processes. Operators must also ensure hazards are identified from the various safety assurance / safety performance evaluation processes required by IS-BAO 3.3.

In order to appropriately identify hazards, it is key that the operator has a deep understanding of the activities they conduct, so that they do not miss hazards due to an incomplete view of the circumstances in which they will take place and of what is needed to accomplish those tasks. IS-BAO recognizes that aspect, as discussed in Guidance for chapter 3.2, however there is no

explicit associated requirement in the IS-BAO Standard for operators to analyse the system related to safety information leading to any hazard identification and safety risk management process.

This safety information may come from the methods required by IS-BAO 3.2.1 (including but not limited to accident/incident investigation, voluntary and mandatory safety reporting and review of external sources of safety information) or the various safety assurance / safety performance processes (internal audits and evaluations, safety performance monitoring and measurement, management of change, continuous improvement of the SMS, etc.).

5.55 Safety Risk Assessment and Control

Any [operator] required to have an SMS under this part must:

- (a) Develop and maintain processes to analyze safety risk associated with the hazards identified in 5.53(c).*
- (b) Define a process for conducting risk assessment that allows for the determination of acceptable safety risk.*
- (c) Develop and maintain processes to develop safety risk controls that are necessary as a result of the safety risk assessment process under paragraph (b) of this section.*
- (d) Evaluate whether the risk will be acceptable with the proposed safety risk control applied, before the safety risk control is implemented.*

IBAC guidance:

As discussed in the IS-BAO Guidance for section 3.2 of the IS-BAO Standard and in question 3.2.2.S2c of the IS-BAO protocols, IS-BAO registered operators are expected to reassess a safety risk in terms of its probability and severity post mitigation actions, to confirm that the risk has been brought to a tolerable level. To ensure alignment with Part 5, however, this must be accomplished before the safety risk control is implemented, as per 5.55(d). As such, operators need to assess the outcomes of their risk management process and ensure that the risk controls (i.e., mitigation) under consideration will lead to an acceptable residual risk before the risk controls are effectively implemented.

5.57 Notification of Hazards to Interfacing Persons.

If a [operator] required to have an SMS under this part identifies a hazard in the operating environment, the [operator] must provide notice of the hazard to any interfacing person that, to the best of the [operator]'s knowledge, could address the hazard or mitigate the risk. For the purpose of this section, interfacing persons are those that contribute to the safety of the certificate or Letter of Authorization holder's aviation-related products and services.

IBAC guidance:

The success of an operator's activities (including from a safety perspective) does not only depend on the management of their internal hazards and risks, but also on the management -or at

least the awareness- of external hazards and risks. Many are related to, or caused by, other organizations with which the operator must interface to conduct its own activities. On the other hand, the operator’s activities may introduce hazards and risks to other organizations. One organization’s risk management activities may also generate information and lessons learned that may be beneficial to other organizations. Identification of such interfaces and related hazards, as well as cooperation and sharing of information with these organizations, is, therefore, an important aspect of an effective SMS.

IS-BAO recognizes this aspect and incorporates different elements related to interface management, to include sharing lessons learned from ERP exercises, best practices and relevant safety information in general, coordination or integration with external entities within the operator’s SMS procedures, review of hazards and threats from relevant external sources, identification and documentation of hazards associated with external entities, monitoring of SPIs related to the activities of external entities, and identification of external entities affected by changes to the operator.

However, IS-BAO does not specifically require operators to notify the organization that could better address a hazard or mitigate a risk when the operator identifies a hazard in the operating environment, as required by 5.57. Operators must therefore review their processes and ensure that a process is in place to comply with this requirement of Part 5.

Subpart D – Safety Assurance

5.71 Safety Performance Monitoring and Measurement

(a) Any [operator] required to have an SMS under this part must develop and maintain processes and systems to acquire data with respect to its operations, products, and services to monitor the safety performance of the organization. These processes and systems must include, at a minimum, the following:

- (1) Monitoring of operational processes.*
- (2) Monitoring of the operational environment to detect changes.*
- (3) Auditing of operational processes and systems.*
- (4) Evaluations of the SMS and operational processes and systems.*
- (5) Investigations of incidents and accidents.*
- (6) Investigations of reports regarding potential non-compliance with regulatory standards or other safety risk controls established by the [operator] through the safety risk management process established in subpart C of this part.*
- (7) A confidential employee reporting system in which employees can report hazards, issues, concerns, occurrences, incidents, as well as propose solutions and safety improvements, without concern of reprisal for reporting.*
- (8) Investigations of hazard notifications that have been received from external sources.*

(b) Any [operator] required to have an SMS under this part must develop and maintain processes that analyze the data acquired through the processes and systems identified under paragraph

(a) of this section and any other relevant data with respect to its operations, products, and services.

(c) Any person that holds both a type certificate and a production certificate issued under part 21 of this chapter for the same product must submit a summary of the confidential employee reports received under paragraph (a)(7) of this section to the Administrator once every 6 months.

IBAC guidance:

IS-BAO requires operators to establish processes that acquire data with respect to its operations, products and services, such as the hazard identification process required by IS-BAO 3.2.1 (including but not limited to accident / incident investigation, voluntary and mandatory safety reporting, and review of external sources of safety information) or the various safety assurance / safety performance processes (internal audits and evaluations, safety performance monitoring and measurement, management of change and continuous improvement of the SMS).

Collectively, these cover most of the processes listed in 5.71.(a), since:

- 5.71(a)(2) relates to changes to the organization’s operational environment, which should trigger an instance of the Management of Change process established by the organization to conform with IS-BAO 3.3.2,
- 5.71(a)(3) and (6) refer to auditing and compliance monitoring processes which are expected to be in place to conform with the safety performance monitoring and measurement requirements of IS-BAO 3.3.1 and the compliance monitoring requirements of IS-BAO 3.5,
- 5.71(a)(5), (7) and (8) refer to triggers to the hazard identification process required by IS-BAO 3.2.1,
- Part of 5.71(a)(4) refers to evaluations of the SMS which are expected to be conducted as part of the processes implemented by the organization to conform with IS-BAO 3.3.3.

That said, IS-BAO does not specifically require data from these processes to feed the organization’s Safety Performance Measurement and Monitoring process. As such, in order to ensure full alignment with Part 5, operators must ensure that the processes listed above explicitly feed into their SPM processes.

In addition, IS-BAO does not specifically require operators to monitor their operational processes and to evaluate their operational processes and systems on a continuous basis as required by 5.71(a)(1) and (4). Operators must therefore formalize such processes, making sure that they also explicitly feed into their SPM processes.

It must also be noted that, although IS-BAO requires implementation of a safety reporting system as part of IS-BAO Standard 3.2.1 and also requires operators to implement a policy protecting any safety-related data (from all sources to include the safety reporting system) from inappropriate use, it does not specify that the safety reporting system must be confidential. Therefore, unless already clearly stated in their SMS manual/document and implemented, operators need to ensure that their reporting system strictly protects the confidentiality of reporters, from the initial submission of information to its storage. The guiding principle remains

to maximize the ease of reporting while minimizing the anxiety of reporting. Clear policies, processes, and procedures are needed, as applicable, to comprehensively describe how reports are handled and protected, by whom, but also who doesn't have access to them and what uses are forbidden. When designing a report form or selecting an IT solution, operators are encouraged to give precedence to narratives rather than to a flurry of boxes to tick and values to report. Both are valuable and needed to lead further investigations, and therefore space for both must be foreseen. However, personal accounts should come first and also invite the reporter to share suggestions and systemic improvements.

Finally, IS-BAO 3.3.1 requires operators to monitor and analyze SPI data over time in relation to established SPTs to determine safety performance. In order to ensure full alignment with Part 5, however, the process of analysis should encompass not only the SPIs, but also the data acquired through the processes and systems identified under 5.71(a).

Regarding 5.71(c), this item only applies to organizations who hold both an aircraft type certificate and an aircraft production certificate under 14 CFR Part 21 for the same product, which is not the case of most operators. Those operators that are under the same umbrella as a manufacturing organization holding such certificates and whose SMS cover both the operating and manufacturing organizations need to ensure they submit a summary of the confidential employee reports received under paragraph (a)(7) of this section to the FAA once every 6 months per 5.71(c), and comply with the other requirements of Part 5 that apply specifically to aircraft design or manufacturing organizations, which are not covered in this document.

5.73 Safety Performance Assessment

(a) Any [operator] required to have an SMS under this part must conduct assessments of its safety performance against its safety objectives, which include reviews by the accountable executive, to:

- (1) Ensure compliance with the safety risk controls established by the [operator].*
- (2) Evaluate the performance of the SMS.*
- (3) Evaluate the effectiveness of the safety risk controls established under § 5.55(c) and identify any ineffective controls.*
- (4) Identify changes in the operational environment that may introduce new hazards.*
- (5) Identify new hazards.*

(b) Upon completion of the assessment, if ineffective controls or new hazards are identified under paragraphs (a)(2) through (5) of this section, the [operator] must use the safety risk management process described in subpart C of this part.

IBAC guidance:

IS-BAO 3.3.1 and 3.3.3 require operators to monitor and analyze safety performance in relation to established SPTs (which, in turn, must be related to the operator's safety objectives) as well as monitor the SMS performance to identify potential areas of improvement based on the outcomes of the various SMS processes, such as the effectiveness of safety risk management activities, audit results and analysis of SPI data.

However, although implicitly expected, there is no explicit requirement for these processes to include reviews by the Accountable Executive and to cover the objectives listed in 5.73(a)(1) through (5). As such, if not already implemented, operators should review their safety performance assessment processes to ensure that:

- They include reviews by the Accountable Executive, and
- They explicitly cover the objectives listed in 5.73(a)(1) through (5), namely:
 - Ensure compliance with the safety risk controls established by the operator.
 - Evaluate the performance of the SMS.
 - Evaluate the effectiveness of the safety risk controls established under § 5.55(c) and identify any ineffective controls.
 - Identify changes in the operational environment that may introduce new hazards.
 - Identify new hazards.

IS-BAO 3.2.1 requires issues identified by the Safety Assurance processes of IS-BAO 3.3 (to include internal audits and evaluations, safety performance monitoring and measurement, management of change, etc.) to feed back into the hazard identification process, and every identified hazard must then be subject to the safety risk management process required by IS-BAO 3.2.2. To ensure full alignment with Part 5, operators must ensure that any ineffective controls or new hazards identified during the safety performance assessments be subject to their safety risk management process.

5.75 Continuous Improvement

Conformance with IS-BAO is perceived as sufficient to comply with this section of Part 5.

Subpart E – Safety Promotion

5.91 Competencies and Training

Conformance with IS-BAO is perceived as sufficient to comply with this section of Part 5.

5.93 Safety Communication

Conformance with IS-BAO is perceived as sufficient to comply with this section of Part 5.

Subpart F – SMS Documentation and Recordkeeping

5.95 SMS Documentation

Conformance with IS-BAO is perceived as sufficient to comply with this section of Part 5.

5.97 SMS Records

Any [operator] required to have an SMS under this part must:

- (a) Maintain records of outputs of safety risk management processes as described in subpart C of this part. Such records must be retained for as long as the control remains relevant to the operation.*
- (b) Maintain records of outputs of safety assurance processes as described in subpart D of this part. Such records must be retained for a minimum of 5 years.*
- (c) Maintain a record of all training provided under 5.91 for each individual. Such records must be retained for as long as the individual is employed by the [operator].*
- (d) Retain records of all communications provided under 5.93 or 5.57 for a minimum of 24 consecutive calendar months.*

IBAC guidance:

IS-BAO 3.5.2 requires operators to develop and maintain SMS operational records as part of its SMS documentation; however no minimum retention periods are specified in the IS-BAO Standard and are left to the operator's discretion taking account of applicable local regulatory requirements. If not already addressed in company manuals, operators need to ensure that all pertinent SMS records are retained in compliance with the requirements of Part 5 5.97(a) through 5.97(d).

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Appendix 1 – Part 5 Internal Assessment Checklist

Operator:	(name)	Date:	
Part 5 ref.	Part 5 Requirement	Operator ref.	Complies?
5.21(a)	The operator’s safety policy includes: (1) The operator’s safety objectives. (2) The operator’s commitment to fulfill the safety objectives. (3) A clear statement about the provision of the necessary resources for the implementation of the SMS. (6) An emergency response plan that provides for the safe transition from normal to emergency operations in accordance with the requirements of § 5.27. (7) A code of ethics that is applicable to all employees, including management personnel and officers, which clarifies that safety is the organization’s highest priority.		Yes / No
5.23(a)	Accountability for safety for the AE, all members of management and employees as per 5.23(a) is contained or referenced in the operator’s safety policy.		Yes / No
5.23(a)	The operator’s documentation defines accountability for safety for: (2) All members of management in regard to developing, implementing, and maintaining SMS processes within their area of responsibility, including, but not limited to: (i) Hazard identification and safety risk assessment. (ii) Assuring the effectiveness of safety risk controls. (iii) Promoting safety as required in subpart E of Part 5. (iv) Advising the accountable executive on the performance of the SMS and on any need for improvement.		Yes / No
5.25(a)	The operator identified an accountable executive who, irrespective of other functions, satisfies the following: (2) Controls the financial resources required for the operations to be conducted under the operator’s certificate(s) or Letter(s) of Authorization. (3) Controls the human resources required for the operations authorized to be conducted under the operator’s certificate(s) or Letter(s) of Authorization.		Yes / No
5.25(b)	The accountable executive accomplishes the following: (1) Ensure that the SMS is properly implemented and is performing across all pertinent areas. (2) Develop and sign the safety policy. (3) Communicate the safety policy throughout the operator’s organization. (4) Regularly reviews the operator’s safety policy to ensure it remains relevant and appropriate to the operator. (5) Regularly reviews the safety performance of the operator’s organization and directs actions necessary to address substandard safety performance in accordance with 5.75.		Yes / No

Part 5 ref.	Part 5 Requirement	Operator ref.	Complies?
5.25(c)	The accountable executive designates sufficient management personnel who, on behalf of the accountable executive, are responsible for the following: (1) Coordinate implementation, maintenance, and integration of the SMS throughout the operator’s organization. (2) Facilitate hazard identification and safety risk analysis. (3) Monitor the effectiveness of safety risk controls. (4) Ensure safety promotion throughout the operator’s organization as required in subpart E of Part 5. (5) Regularly report to the accountable executive on the performance of the SMS and on any need for improvement.		Yes / No
5.27	The manual that contains the ERP is formally approved by the AE, and the operator’s Safety Policy refers to the AE’s approval of the ERP.		Yes / No
5.27	The operator’s emergency response plan addresses the following: (a) Delegation of emergency authority throughout the operator’s organization; (b) Assignment of employee responsibilities during the emergency		Yes / No
5.51	The operator applies safety risk management to the following: (a) Implementation of new systems. (b) Revision of existing systems. (c) Development of operational procedures.		Yes / No
5.53(a)	(a) When applying safety risk management, the [operator] analyzes the systems identified in 5.51. Those system analyses are used to identify hazards under paragraph (c) of this section, and in developing and implementing risk controls related to the system under 5.55(c).		Yes / No
5.53(b)	In conducting the system analysis, the following information is considered: (1) Function and purpose of the system. (2) The system’s operating environment. (3) An outline of the system’s processes and procedures. (4) The personnel, equipment, and facilities necessary for the operation of the system. (5) The interfaces of the system		Yes / No
5.53(c)	The operator developed and maintains processes to identify hazards within the context of the system analysis.		Yes / No
5.55(d)	The operator evaluates whether the risk will be acceptable with the proposed safety risk control applied before the safety risk control is implemented.		Yes / No
5.57	When the operator identifies a hazard in the operating environment, the operator provides notice of the hazard to any interfacing person that, to the best of the operator’s knowledge, could address the hazard or mitigate the risk.		Yes / No

Part 5 ref.	Part 5 Requirement	Operator ref.	Complies?
5.71(a)	The operator developed and maintains processes and systems to acquire data with respect to its operations, products, and services to monitor the safety performance of the organization that include, at a minimum: (1) Monitoring of operational processes. (2) Monitoring of the operational environment to detect changes. (3) Auditing of operational processes and systems. (4) Evaluations of the SMS and operational processes and systems. (5) Investigations of incidents and accidents. (6) Investigations of reports regarding potential non-compliance with regulatory standards or other safety risk controls established by the operator through the safety risk management process established in subpart C of this part. (7) A confidential employee reporting system. (8) Investigations of hazard notifications that have been received from external sources		Yes / No
5.71(a)(7)	The operator’s hazard identification process includes a confidential employee reporting system in which employees can report hazards, issues, concerns, occurrences, incidents, as well as propose solutions and safety improvements, without concern of reprisal for reporting.		Yes / No
5.71(b)	The operator developed and maintains processes that analyze the data acquired through the processes and systems identified under paragraph (a) of this section and any other relevant data with respect to its operations, products, and services.		Yes / No
5.73(a)	The operator’s assessments of its safety performance against its safety objectives are reviewed by the AE.		Yes / No
5.73(a)	The operator’s assessments of its safety performance against its safety objectives cover: (1) Ensuring compliance with the safety risk controls established by the operator. (2) Evaluating the performance of the SMS. (3) Evaluating the effectiveness of the safety risk controls established under § 5.55(c) and identifying any ineffective controls. (4) Identifying changes in the operational environment that may introduce new hazards. (5) Identifying new hazards		Yes / No
5.73(b)	Upon completion of the assessment, if ineffective controls or new hazards are identified under paragraphs (a)(2) through (5) of this section, the operator uses the safety risk management process described in subpart C of this part.		Yes / No
5.97(a)	The operator maintains records of outputs of safety risk management processes as described in subpart C of Part 5, and retains such records for as long as the control remains relevant to the operation.		Yes / No

Part 5 ref.	Part 5 Requirement	Operator ref.	Complies?
5.97(b)	The operator maintains records of outputs of safety assurance processes as described in subpart D of Part 5 and retains such records for a minimum of 5 years.		Yes / No
5.97(c)	The operator maintains a record of all training provided under 5.91 for each individual and retains such records for as long as the individual is employed by the operator.		Yes / No
5.97(d)	The operator retains records of all communications provided under 5.93 or 5.57 for a minimum of 24 consecutive calendar months.		Yes / No
Assessor:	<i>(name)</i>	Date:	
Signature:			