	<p style="text-align: center;"> Aeronautical Services Advisory Memorandum (ASAM) Focal Point: GEN </p>	<p style="text-align: center;"> ASAM No: 004 Issue 7 Date 16.11.20 </p>
<p>Title</p>	<p style="text-align: center;">Guidance on the NSA/CA Audit Finding Corrective Action Process</p>	

1. Introduction

The objective of this document is to provide guidance to audited organisations, on the root cause and corrective action process to be followed in response to National Supervisory Authority (NSA) and Competent Authority (CA) audit findings.

2. Scope

This guidance is applicable to service providers (SP) and training provider organisations (TO) who fall within the scope of audits conducted by the IAA Safety Regulation Division in its role as the NSA and CA for Ireland under the applicable requirements of European Commission Regulation (EU) 2018/1139, its implementing rules as well as Regulations (EC) No 549/2004, (EC) No 550/2004, (EC) No 551/2004, and (EC) No 552/2004 and their implementing rules.

3. Audit Finding and Corrective Action Requirements: Legislation

Commission Implementing Regulation (EU) 2017/373 ([Reg 373](#)) and Commission Implementing Regulation (EU) 2015/340 ([Reg340](#)) identify several legal requirements specific to audit findings and corrective actions.

[Reg 373](#) Part ATM/ANS.OR.A.055 ‘Findings and corrective actions’ states ‘After receipt of notification of findings from the competent authority, the service provider shall:

- (a) identify the root cause of the non-compliance;
- (b) define a corrective action plan that meets the approval by the competent authority;
- (c) demonstrate corrective action implementation to the satisfaction of the competent authority within the time period proposed by the service provider and agreed with that authority, as defined in point ATM/ANS.AR.C.050(e).’

[Reg 340](#) Part ATCO.OR.B.030 ‘Findings’ states ‘After receipt of notification of findings issued by the competent authority in accordance with ATCO.AR.E.015, the training organisation shall:

- (a) identify the root cause of the finding;
- (b) define a corrective action plan; and
- (c) demonstrate the corrective action implementation to the satisfaction of the competent authority within the period agreed with that authority as defined in ATCO.AR.E.015.

Reg 373 AMC1 ATM/ANS.OR.A.055(b) 'Findings and corrective actions' states

The corrective action plan defined by the service provider should address the effects of the non-conformity and its root cause.

Reg 373 GM1 ATM/ANS.OR.A.055 'Findings and corrective actions' states

(a) Corrective action is the action taken to eliminate or mitigate the root cause(s) and prevent the recurrence of existing detected non-compliance or other undesirable condition or situation.

(b) The proper determination of the root cause is crucial for defining effective corrective actions.

Reg 340 GM1 ATCO.OR.B.030(a);(b) 'Findings' states

(a) Corrective action is the action to eliminate the root cause of a non-compliance in order to prevent its recurrence.

(b) Determination of the root cause is crucial for defining effective corrective actions.

4. Corrective Action Process

The objective of the corrective action process is firstly to identify and then to eliminate or mitigate the "root cause" of a non-conformance. The organisation should formulate a plan which will outline how the non-conformance will be rectified, and addressed such that it doesn't reoccur, and how long that will take to implement. This is documented in a corrective action plan (CAP) and forward to the CA for its acceptance. Figure 1 diagrammatically outlines the recommended corrective action process to be adopted in response to NSA/CA audit findings.

4.1 Level 1 Finding

Reg 373 Part ATM/ANS.AR.C.050 (e) (1) states '*In the case of level 1 findings, the competent authority shall take immediate and appropriate action, and may, if appropriate, limit, suspend or revoke in whole or in part the certificate while ensuring the continuity of services provided that safety is not compromised.*'

Reg 340 Part ATCO.AR.E.015(d) states '*In the case of level 1 findings the competent authority shall take immediate and appropriate action to prohibit or limit activities, and if appropriate, it shall take action to revoke the certificate or to limit or suspend it in whole or in part, depending upon the extent of the finding, until successful corrective action has been taken by the training organisation.*'

The SP/TO may be required to take immediate and appropriate action and may be required by the CA to limit or suspend in whole or in part their services, provided that safety is not compromised. The measure(s) taken shall depend upon the extent of the finding and shall remain until successful corrective action has been taken by the service provider. In order to understand the risk posed by the noncompliance, the NSA/CA will require evidence from the audited organisation in the form of a risk assessment, and/or any other relevant data.

ANSD shall require that the immediate actions taken be documented and they, with the root cause and a corrective action plan (CAP) be submitted by a SP/TO no later than 5 working days from the date the finding was relayed by the CA (or sooner if required).

If the appropriate action outlined above is not taken, then a safety directive may be issued by the CA to limit or suspend in whole or in part an SP/TO services, provided that safety is not compromised(ref ATM/ANS.AR.A.030).

4.2 Level 2 Finding

Reg 373 Part ATM/ANS.AR.C.050 (e)(2)(i) states *'In the case of level 2 findings, the competent authority shall (i) grant the service provider a corrective action implementation period included in an action plan appropriate to the nature of the finding;'*

Reg 340 AMC1 ATCO.AR.E.015(d)(2) states *'The corrective action implementation period included in an action plan granted by the competent authority initially should not exceed three months.'*

In the case of a level 2 finding, an SP/TO shall submit a CAP no later than 15 working days commencing from the day after an audit closing meeting is conducted. The SP/TO CAP shall include a root cause, a proposed corrective action(s) and an implementation period by which the non-conformance shall be addressed. See section '6. Summary' which lists the elements required in a CAP.

Reg 373 Part ATM/ANS.AR.C.050 (e) (2) (ii) states the CA shall *'assess the corrective action and implementation plan proposed by the service provider and, if the assessment concludes that they are sufficient to address the non-compliance(s), accept them'*.

The CA may not accept all or part of a CAP proposal. The CA will communicate with the SP/TO in a timely manner with the intent to have a resolved CAP in place no later than 30 working days after the date of the audit.

Where the SP/TO fails to submit a corrective action plan that is acceptable to the NSA/CA the finding for a SP/TO shall be raised to a level 1 finding.

4.3 CAP monitoring

During the process each SP/TO is responsible for tracking the progress of its CAPs for each audit finding and take appropriate steps to ensure it adheres to CA agreed timelines. An SP/TO may use the CA CAP tracking sheet ASD.F232 for this purpose (see appendix 1), but irrespective, each should have documented organisational procedures for root cause analysis, defining a corrective action plan and demonstrating corrective action implementation within the time period agreed with the CA.

4.4.CAP timeline extensions

Reg 373 Part ATM/ANS.AR.C.050 (e) (3) states *'In the case of level 2 findings, where the service provider fails to submit a corrective action plan that is acceptable to the competent authority in light of the finding, or where the service provider fails to perform the corrective action within the time period accepted or extended by the competent authority, the finding may be raised to a level 1 finding, and action taken as laid down in point [(e)] (1).'*

Reg 340 Part ATCO.AR.E.015 (d)(3) states *'Where a training organisation fails to submit an acceptable corrective action plan, or to perform the corrective action within the time period*

accepted or extended by the competent authority, the finding shall be raised to a level 1 finding, and action shall be taken as laid down in point (d)(1).'

The NSA/CA shall be notified where it becomes apparent to an audited organisation that the accepted time period for completion of the agreed corrective action(s) will not be met. The audited organisation may request an extension citing the reason for not achieving the accepted timescales and the risk posed by continued noncompliance. In order to support its decision to grant an extension, the NSA/CA may require evidence in the form of a risk assessment, or any other relevant data. See section '6.Summary' which lists the elements required in an extension request.

An ANSD inspector, in consultation with the manager ANSD, may grant one CAP extension per finding but no more. For any further extensions, the manager ANSD must give approval, and the finding will be raised to a level 1 finding. However, in exceptional circumstances the manager ANSD may decide not to raise it to a level 1. This will be communicated to the SP/TO.

Where ANSD receive an extension request it will be recorded. The amount of extension requests received from an organisation, whether granted or not, will be monitored as an ANSD safety performance metric. This metric is used as an indicator of other potential issues within an SP/TO organisation which could warrant SRD examination. Therefore, an extension request should be the exception and not the norm to a CAP process.

For Level 2 findings, a missed CAP closure date or an extension request not submitted in a timely* manner, it shall be raised to a level 1 finding.

Note - *Timely in this context is receipt by the CA of a CAP extension request at least 5 working days before the CAP closure date. This allows the CA to review the request, seek additional information or relay acceptance or non-acceptance. It also demonstrates some level of SP/TO organisational monitoring.

6. Summary

Elements required in a CAP

For each finding, an SP/TO shall carry out a corrective action to eliminate (or mitigate) the root cause of a non-compliance in order to prevent its reoccurrence. This they shall document in a corrective action plan (CAP) which, at a minimum, shall include the following components;

- What was/is the root cause? (AMC)
- What was/is the effect of the non-conformity? (AMC)
- How was the root cause identified? (should be in line with org procedures)
- Confirmation and evidence that the root cause was identified by an appropriate SME (Safety assurance & traceability)
- Independent organisational confirmation that the appropriate root cause was identified (Safety assurance & traceability)
- Date of when the root cause was identified. (org traceability)
- The corrective action taken, or propose to take, to eliminate or mitigate the root cause of a non-compliance in order to prevent its recurrence. (AMC; safety assurance & traceability)

- The completion date (if already completed by time of the CAP drafting) or proposed timeline for corrective action implementation. (AMC; safety assurance & traceability)

The SP/TO shall forward the CAP to the CA in line with those timelines documented in this notice.

It shall then track the progress of the CAP to ensure it is implemented in accordance with the CA agreed schedule.

It will provide evidence of implementation.

All the above should be supported by organisational procedures to ensure personnel follow a standard complete and correct process for root cause analysis and elimination /mitigation of a non-conformance.

Elements required in a CAP timeline extension request.

Where an extension request is made it must

- be submitted at least 5 working days before the original CAP closure date;
- include the reason why it is being sought; (why the SP/TO cannot adhere to the agreed timeline);
- include the actions that will be taken to ensure a further extension won't be sought;
- include a safety assessment of the risk whilst the noncompliance remains open that demonstrates it is tolerable.

7. References

1. Commission Regulation (EU) 2017/373 laying down common requirements for providers of ATM/ANS and their oversight.
2. Commission Regulation (EU) 2015/340 ATCO Licensing and Training Organisations.

8. Further Information

Requests for further information on the contents of this notice should be addressed to ansdinfo@iaa.ie

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- For Level 2 findings corrective action proposals should be sent to the lead auditor No later than 15 working days commencing the day after the audit closing meeting date.
- For 'Level 1' findings immediate actions are required. Depending on the nature of the finding this may include:
 - The determination of corrective actions to be implemented by the auditee in a specific period of time.
 - The imposition of sanctions, operational restrictions and any other enforcement measure such as the revocation or suspension of relevant approvals.
- ANSD shall require that where immediate actions are taken they are documented, and with the root cause, a corrective action plan (CAP) be submitted by a SP/ TO no later than 5 working days from the date the finding was relayed by the CA or earlier if directed by the CA.

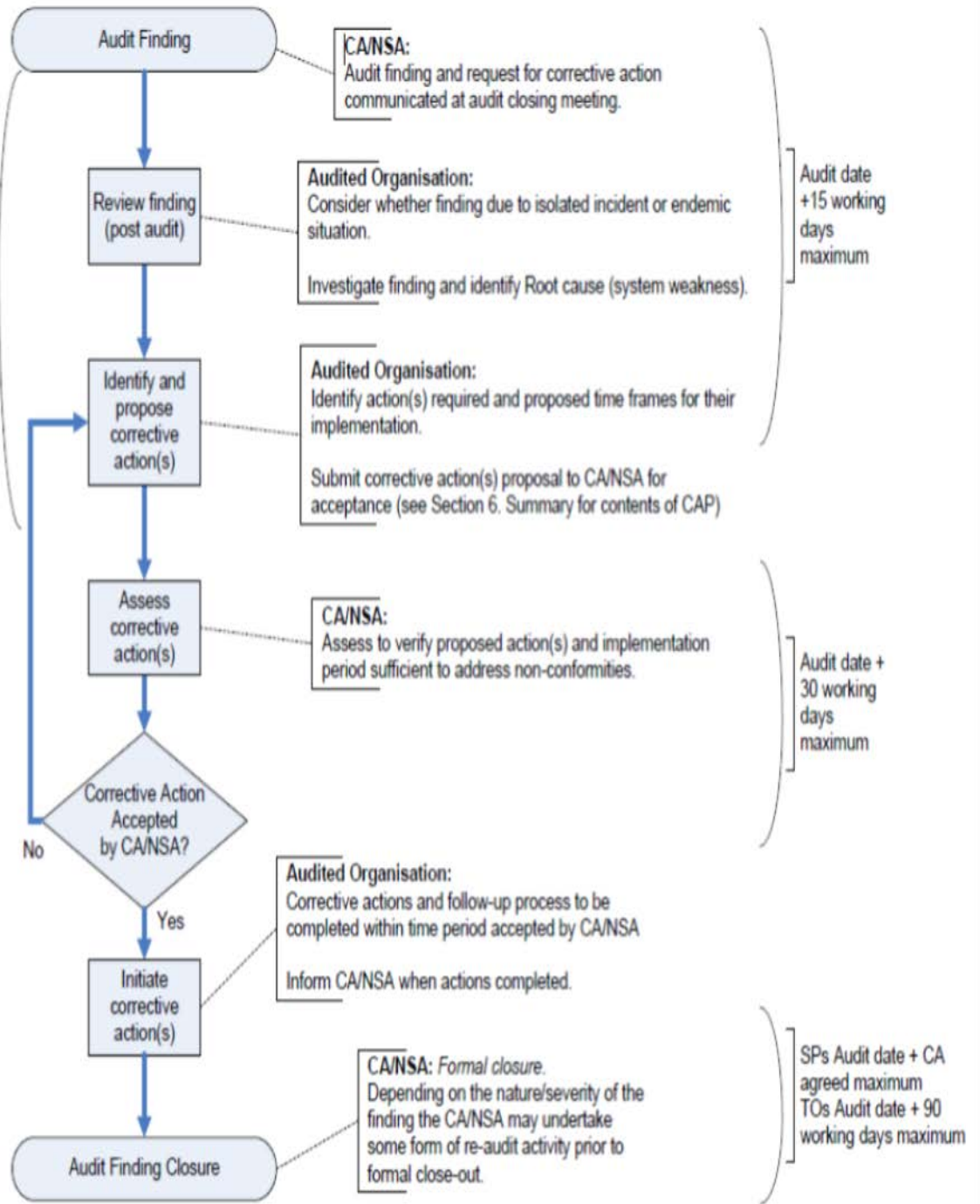


Figure 1: Corrective Action Process

Annex A: Audit Findings Classification Scheme:

Service Providers Reg (EU) 2017/373 Part ATM/ANS.AR.C.050

A level 1 finding shall be issued by the competent authority when any serious non-compliance is detected with the applicable requirements of Commission Regulation (EU) 2018/1139 and its implementing rules as well as Regulations (EC) No 549/2004, (EC) No 550/2004, (EC) No 551/2004, and (EC) No 552/2004 and their implementing rules, with the service provider's procedures and manuals, with the terms of conditions of certificate or certificate, with the designation act, if applicable, or with the content of a declaration which poses a significant risk to flight safety or otherwise calls into question the service provider's capability to continue operations. Level 1 findings shall include but not be limited to:

- (1) promulgating operational procedures and/or providing a service in a way which introduces a significant risk to flight safety;
- (2) obtaining or maintaining the validity of the service provider's certificate by falsification of submitted documentary evidence;
- (3) evidence of malpractice or fraudulent use of the service provider's certificate;
- (4) the lack of an accountable manager.

A level 2 finding shall be issued by the competent authority when any other non-compliance is detected with the applicable requirements of Commission Regulation (EU) 2018/1139 and its implementing rules as well as Regulations (EC) No 549/2004, (EC) No 550/2004, (EC) No 551/2004, and (EC) No 552/2004 and their implementing rules, with the service provider's procedures and manuals or with the terms of conditions or certificate, or with the content of a declaration.

In the case of level 2 findings, where the service provider fails to submit a corrective action plan that is acceptable to the competent authority in light of the finding, or where the service provider fails to perform the corrective action within the time period accepted or extended by the competent authority, the finding may be raised to a level 1 finding, and action taken as laid down in point (1).

For those cases not requiring level 1 and 2 findings, the competent authority may issue observations.

Note - For a full understanding of the regulatory requirements please check the regulation and its specific acceptable means of compliance (AMCs) and guidance material (GM).

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Annex B: Audit Findings Classification Scheme:

Training Organisations Reg (EU) 2015/340 Part ATCO.AR.E.015

When a finding is detected during oversight or by any other means, the ASD shall, without prejudice to any additional action required by Regulation (EC) 2018/1139 and Regulation (EU) 2015/340, communicate the finding to the training organisation in writing and request corrective action to address the non-compliance(s) identified.

1. In the case of level 1 findings the ASD shall take immediate and appropriate action to prohibit or limit activities, and if appropriate, it shall take action to revoke the certificate or to limit or suspend it in whole or in part, depending upon the extent of the finding, until successful corrective action has been taken by the training organisation.
2. In the case of level 2 findings the ASD shall:
 - (i) grant the training organisation a corrective action implementation period included in an action plan appropriate to the nature of the finding; and
 - (ii) assess the corrective action and implementation plan proposed by the training organisation and, if the assessment concludes that they are sufficient to address the non-compliance(s), accept these.
3. Where a training organisation fails to submit an acceptable corrective action plan, or to perform the corrective action within the time period accepted or extended by the competent authority, the finding shall be raised to a level 1 finding, and action shall be taken as laid down in point 1.

The corrective action implementation period included in an action plan granted by ASD initially should not exceed three months. At the end of this period, and subject to the nature of the finding, the ASD may extend the three-month period subject to a satisfactory corrective action plan agreed to by ASD.

For those cases not requiring level 1 and 2 findings, the competent authority may issue observations.

Note - For a full understanding of the regulatory requirements please check the regulation and its specific acceptable means of compliance (AMCs) and guidance material (GM).

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Appendix 1 – Print screen of ASD.F.232 SP/TO CAP tracking sheet

Columns in blue to be filled in by SP/TO.						Columns in yellow to be filled in by SRD			
Date of Audit	SRD NCR Ref	Finding	Level	Corrective Action	Target Date	ANSD Corrective Action Review	Status: open or closed	NSA Closure Date	Auditor
				01/03/2017 DF - followed by the text of the corrective action		05/03/2017 PK - followed by the text of the corrective action			