Internal Audit Program
Risk Based

The internal audit program is a critical element in the DOD inspection process and a cornerstone of safety for our DOD passengers and cargo. Mature programs help a company identify key functional processes, illuminate compliance requirements, measure success, identify deficiencies, promote improvements, and keep executive management informed. As stated in the **Air Carrier Management** section of the Q&S; "*An internal quality audit program or other method capable of identifying in-house deficiencies and measuring the company's compliance with their stated policies and standards has been implemented. Audit results are analyzed in order to determine the cause, not just the symptom, of any deficiency*". It is the DOD's firm belief that this process, when accomplished on a regular and ongoing basis, significantly enhances safety, and ultimately makes the carrier a better company.

A key component of successful quality assurance programs is continuous oversight. Effective programs operate on a pre-determined schedule derived from a reoccurring timeline, management input, and process/risk assessment. Due to the dynamic nature of the aviation industry, we expect quality assurance programs to evaluate *__all__* functional areas to some degree on at least an annual basis. However, a risk-based schedule may be designed to operate on a less frequent cycle, but each functional area should be assessed annually against some criteria to ascertain if the current risk warrants a complete review. A risk-based model should include a method for quantifying risk, defined metrics for such, and a recognized threshold for modifying an audit/evaluation schedule based on risk. The process should proactively seek indicators that warrant management intervention as necessary and identify deficiencies before they cause an event. It should not rely predominantly on FAA/regulatory oversight or a failure-induced event to act as a trigger.

Lack of effective scheduling which allow quality assurance programs to go dormant obviously provide no information to management and allow potential safety issues to go undetected. Programs that lack a properly executed oversight schedule; potentially expose a functional area or program to be overlooked.

Other references:

FAA Advisory Circular 120-59B, "Air Carrier Internal Evaluation Programs"