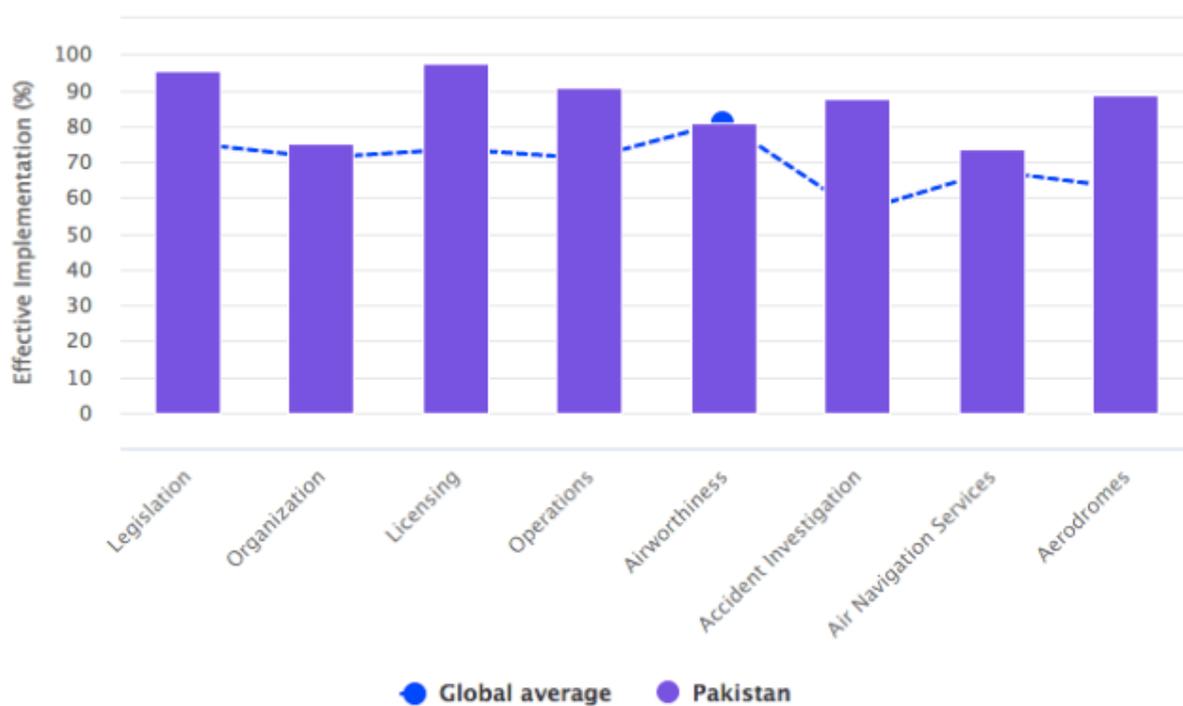The crash of PK8303 in May 2020 has opened a can of worms which has much bigger implications on the International audit standards. When the Pakistan aviation minister announced in the parliament that a large number of commercial pilots hold fake licences, **it would not have surprised many internally since the ground reality is usually common knowledge.**

ICAO Safety audit

ICAO audits

ICAO launched their **Universal Safety Oversight Audit Programme (USOAP)** in 1999, in response to widespread concerns about the adequacy of **aviation safety oversight around the world**. Initially, USOAP activities consisted in regular and mandatory audits of ICAO Member States' safety oversight systems. In 2007 the concept transited to the systematic and more proactive conduct of monitoring activities in the new USOAP **Continuous Monitoring Approach (CMA)** would make a more effective and efficient use of ICAO

resources and reduce the burden on States caused by repetitive audits.

In the last audit Pakistan was assessed **highly effective in legislation and licencing.**

Automatic validation of ICAO member state issued licences

Adoption of Amendment 174 to Annex 1The Council considered C-WP/14560, which presented a proposal of the Air Navigation Commission (ANC) for Amendment 174 to Annex 1 –Personnel Licensing. The amendment concerned a proposal developed by the Secretariat to render compliant a practice used by some States whereby pilot licenses issued by one State are automatically validated by the other States party to a formal agreement under common licensing regulations. ANC considered that an effective date of July 2017 and a proposed applicability date of 9 November 2017 would be suitable for the implementation of these provisions. The Council by 35 votes in favour, none against and no abstentions (one Representative being absent)adopted amendments 174 to Annex 1.

IATA audits

IATA the second biggest world aviation body has a membership of 297 airlines worldwide carrying about 80% of all traffic. PIA successfully completed the International Air Transport Association IATA Operational Safety Audit (IOSA) 2019 for the 8th consecutive time. **PIA is the only airline in Pakistan to have completed IOSA which is an internationally recognized safety standard. The safety requirements of IOSA are derived from the International Civil Aviation Organization (ICAO). IOSA is a comprehensive operational safety audit conducted by IATA accredited audit organization every 24 months.**

Why do audits fail?

Auditing failures and scandals have become commonplace. International audits may at times be seen as soft because the strategy does not address the deeper problem that clients (or

their managements) may not want aggressive auditing, but rather prefer a deferential and perfunctory audit.

If so, some auditors will realize that they are marketing a 'commodity' service and cannot successfully compete based on their quality of services. Rationally, they would respond to such a market by seeking to adopt a cost-minimization strategy, competing by reducing the cost of their services and not investing in new technology or higher-priced personnel.

By '**gatekeeper**,' one can mean just someone who controls access to the 'gate' – that is, someone with veto power who can thus perform a policing function.
But the contemporary problem with gatekeepers involves a broader conception of that term. In this broader view, a 'gatekeeper' is a repeat player who provides certification or verification services.

Human factor in auditing

According to Bik's research, t**he professional behaviour of auditors – including their judgment and decision-making, professional scepticism, and interaction with their clients and their audit teams – determines the quality of an audit.**

"So, if there is an audit quality problem, we need to realise that auditors are human too – really – and thus, that there is no such thing as zero risks **in conducting audit work.**

"It is possible that such risks can never be fully addressed through regulation and professional intervention alone. These could even lead to unintended consequences."

Yet there is currently an increasing focus on culture and behaviour as tools of good corporate governance and internal control. This is reflected in the auditing profession where audit firm leaders, standard-setters and oversight bodies increasingly promote "quality-oriented culture" as the "catch-all resolve to restore public trust in the profession".

Bik warns that this focus is a risk since it is not governance policies alone that drive and control behaviour. "Rather, it is the most mundane of everyday activities and occurrences that have normative behavioural meaning," he says. "Auditors in practice interpret those signals to infer what is really valued within the organisation – which in turns guides their behaviour."

mindFly analysis

Cultures play a very important role in the way we do things. A generative safety culture will make everyone feel responsible for the safety of self and of others. There are a number of near misses before an incident or accident. The workforce on the job at the ground level are aware of the pitfalls of the procedures and policies and even would have witnessed a number of near misses. If there is a disconnect between the management and the workforce, the information doesn't flow.

Similarly for an auditor, there is a need to interview the workforce in order to determine the corporate health. The number of voluntary reports is an indication of the culture.

Therefore it is the need of the hour to give more credibility to the standards and audits so that they are able to perform their job independently and provide effective and timely feedback to the managers.