Staff Instruction

Subject: **Validation of an Accountable Executive**

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1.0 INTRODUCTION

1.1 Purpose

The purpose of this Staff Instruction (SI) is to describe the responsibilities of Transport Canada Civil Aviation (TCCA) staff, and to describe the process to be followed in the validation and appointment of an "Accountable Executive" (AE) in accordance with Canadian Aviation Regulation (CAR) 106.01.

1.2 Applicability

This document is applicable to Transport Canada Civil Aviation (TCCA) Headquarters and Regional personnel in the Commercial and Business Aviation, General Aviation-Flight Training, and Aircraft Maintenance and Manufacturing Divisions.

1.3 Description of Changes

This is a new document therefore there are no changes.

2.0 REFERENCES

2.1 Reference Documents

It is intended that the following reference materials be used in conjunction with this document:

(a) Part I Subpart 6 of the Canadian Aviation Regulations (CAR)—*Accountable Executive*;

(b) Transport Publication (TP) 14343E revised 06/2005—*Safety Management Systems Implementation Procedures Guide For Air Operators and Approved Maintenance Organizations*;

(c) Transport Canada form number 03-0068 (0308-02)—*Letterhead – Transport Canada*; and

(d) Sample Letter - Records Document Information System (RDIMS) 1944347—*Sample Letter: Unable to Validate Accountable Executive*.

2.2 Cancelled Documents

Not applicable.

3.0 BACKGROUND

(1) Following the coming into force of Sub-Part 106 *Accountable Executive* of the Canadian Aviation Regulations on May 31, 2005, the applicant or holder of a flight training unit operating certificate, approved maintenance organization certificate or air operator certificate, must appoint an individual as Accountable Executive to be responsible for operations or activities authorized under the certificate and accountable on their behalf for meeting the requirements of the regulations.

(2) The Accountable Executive (AE) is the agent for cultural change within an organisation; cultural change starts at the top. This key position is crucial to the success of the safety management system initiative and it is, therefore, very important to have the correct individual appointed at the outset. The regulation requires that the Accountable Executive have control, on behalf of the certificate holder, of the financial and human resources necessary for the operations or activities authorized under the certificate. In financial terms, this is not merely a matter of having control of a large budget but, rather, is directed at the level of the individual who authorizes that budget on behalf of the certificate holder.

(3) While the concept of "control" is not defined under the Aeronautics Act, if there is any uncertainty concerning the named executive simply asking the questions "Do they have the final decision?" and "Can they be overruled?" may assist. In general terms, if the appointed person is an employee and/or reports to anyone who can overrule them then that person is not at the correct level within the company to be the accountable executive.

(4) Pursuant to CAR 106.04, the holders of more than one certificate must appoint only one accountable executive.

4.0 TRANSPORT CANADA CIVIL AVIATION STAFF RESPONSIBILITIES

(1) Responsibility to validate the appointment of an Accountable Executive is established as follows:

(a) The Commercial and Business Aviation Division is responsible for the holder of an Operating Certificate issued under CAR 702.07, 703.07, 704.07 or 705.07, with or without other certificates.

(b) The General Aviation Division is responsible for the holder of a Flight Training Unit certificate issued under paragraph 406.11, who does not hold a certificate under CAR 702, 703, 704, 705, with or without an Aircraft Maintenance Organization (AMO).

(c) The Aircraft Maintenance and Manufacturing Division is responsible for holders of an Approved Maintenance Organization certificate issued under paragraph 573.02 who do not hold a CAR 702, 703, 704, 705 or 406 certificate.

5.0 ACCOUNTABLE EXECUTIVE APPOINTMENT VALIDATION PROCESS

5.1 Timing

(1) The responsible division will validate the appointment of an Accountable Executive at the earliest of the following:

(a) During the next inspection, audit, or safety management system assessment; or

(b) When an amendment to an approved Manual is submitted that includes the appointment of an AE.

Information Notes:

a) *In the case of the holders of more than one certificate, the Division responsible will coordinate with the other divisions.*

b) *Certificate holders are authorized to amend their approved manuals to incorporate the name of the AE, without having to first submit an amendment for approval. Any other revision is subject to normal approval procedures.*

5.2 Process

(1) The following procedures are to be followed by Civil Aviation personnel when validating the appointment of an accountable executive:

(a) Have the signed compliance statement scanned into RDIMS and saved in the company file.

(b) Complete the form "Accountable Executive Validation Form" (Appendix A) and save in the company file.

(c) Review the submission using the Accountable Executive Selection Flow Chart and Question List (Appendices B & C). If necessary, Supplementary Questions

in Appendix D can be used. Verify that the appointed person is the correct individual.

(d) For appointments that have been validated:

(i) Verify that the AE name is incorporated into the applicable approved manuals.

(ii) Enter the name of the appointed AE into the National Aviation Company Information System (NACIS).

(e) For appointments that have not been validated, or where there is some question that the appointed person may not be acceptable as the Accountable Executive, the Principal Inspector(s) should request a meeting, to provide an opportunity for the company to demonstrate how the appointed person meets all the requirements established within the criteria. If a satisfactory outcome is not achieved as a result of this meeting, a follow-up letter should be sent to the company, based on the content in the sample form letter (Appendix E, or RDIMS No. 1944347). Transport Canada letterhead (form number 03-0068, RDIMS 837088) shall be used when preparing responses to nominees.

6.0 CONTACT OFFICE

For more information please contact:

Chief, Technical and National Programs

Phone: 613-952-7974

Facsimile: 613-952-3298

D.B. Sherritt
Director, Safety Management Systems Implementation
Transport Canada, Civil Aviation

APPENDIX A – ACCOUNTABLE EXECUTIVE VALIDATION FORM

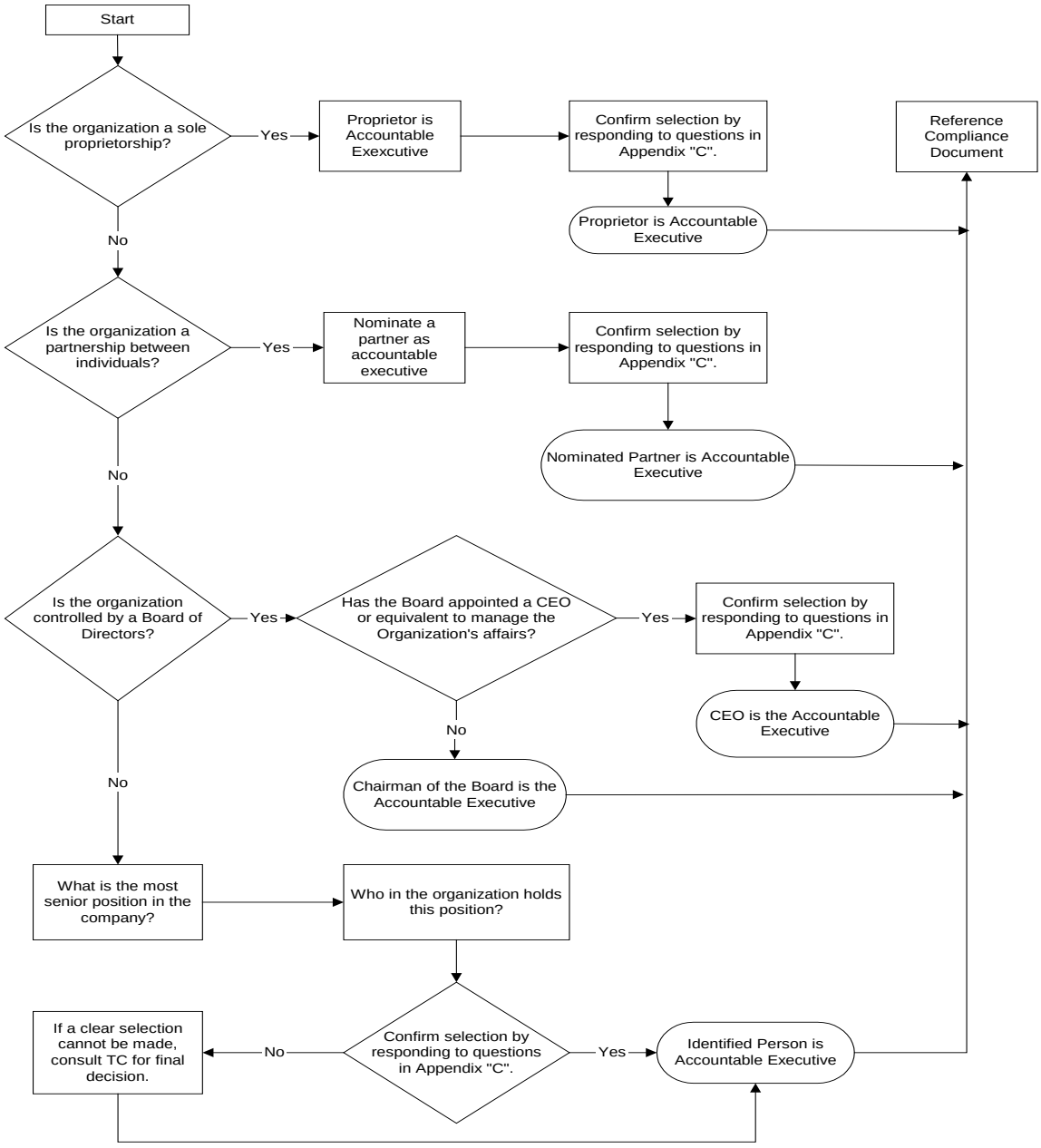
Company name:	**File # :**
Name of the Accountable Executive:	**Title:**
Type of organization: ☐ **Flight Training Unit** ☐ **Approved Maintenance Organization** ☐ **Air Operator**	

SMS Regulatory Requirements	**Acceptable**		**Comments**
	Yes	**No**	
106.02 (1)(a) appoint an individual as Accountable Executive to be responsible for operations or activities authorized under the certificate and accountable on their behalf for meeting the requirements of these Regulations;	☐	☐	
106.02 (1)(b) notify the Minister of the name of the person appointed; and	☐	☐	
106.02 (1)(c) ensure that the Accountable Executive submits to the Minister a signed statement that they accept the responsibilities of their position within 30 days after their appointment.	☐	☐	
106.02 (2) No person shall be appointed under subsection (1) unless they have control of the financial and human resources that are necessary for the activities and operations authorized under the certificate.	☐	☐	
Documented proof of ownership or as a member of the board of directors (if required).	☐	☐	
106.04 If a certificate holder is the holder of more than one certificate referred to in section 106.01, only one Accountable Executive shall be appointed under paragraph 106.02 (1)(a) to be responsible for the operations or activities authorized under the certificates.	☐	☐	
Meets Appendix B – Accountable Executive Selection Flow Chart	☐	☐	
Meets Appendix C – Accountable Executive Selection Question List	☐	☐	
Meets Appendix D – Supplemental Questions Accountable Executive Validation	☐	☐	
Compliance Statement in Manual or manual amended to include the AE	☐	☐	

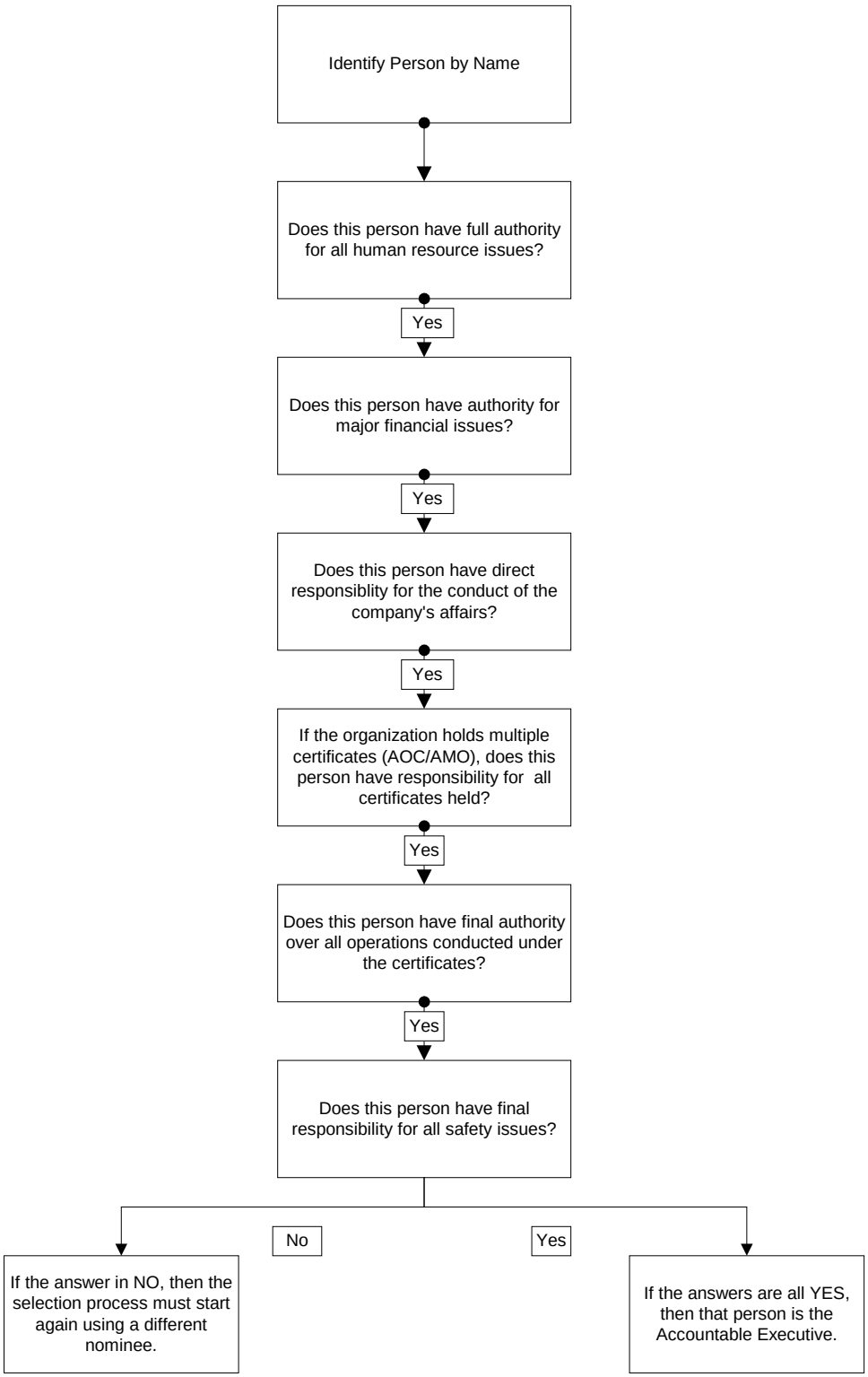
The Accountable Executive appointment is considered valid.

_____	_____	_____
Civil Aviation Safety Inspector	**Division**	**Date**

APPENDIX B – ACCOUNTABLE EXECUTIVE SELECTION FLOW CHART



APPENDIX C – ACCOUNTABLE EXECUTIVE SELECTION QUESTION LIST



APPENDIX D – SUPPLEMENTAL QUESTIONS-VALIDATION OF AN ACCOUNTABLE EXECUTIVE

The following process and representative questions can be used to validate a prospective Accountable Executive who does not clearly and fully meet the existing selection criteria. In particular, a person whose decisions can be overruled by a superior individual or board. These questions are intended to generate additional discussion and should not be viewed as limiting the assessor in developing other questions to suit a particular situation.

With reference to the Accountable Executive Selection Flow Chart and company organization chart, determine which company profile applies to this organization. If none apply, describe the organization structure clearly.

Using the company organization chart, identify the position of the prospective accountable executive.

Identify the certificate holder. Use legal name.

Does the certificate holder have other certificates? If so, identify all.

The following questions are directed to the prospective accountable executive:

(a) Are you the owner, a major shareholder or an employee?

(b) Were you considered to be a representative of the Certificate Holder to sign off approved manuals prior to the implementation of the Accountable Executive regulation? If no, who holds this authority?

(c) Who do you report to?

(d) In the case of multiple certificates, do you have authority over all certificates?

(e) Can any of your decisions be over-ruled? If so, who has this authority?

(f) Do you have final authority over market objectives? If not, who holds this authority?

(g) Do you hold the authority to determine where aircraft are operated? For example, the destinations from a marketing perspective. If not, who holds this authority?

(h) Do you determine which aircraft are operated? If not, who holds this authority?

(i) Do you control when, where and under what conditions aircraft are operated? If not, who holds this authority?

(j) Do you have control over the hiring of technical employees and approved organization managers? If not, who holds this authority?

(k) Can new employees be imposed on you?

APPENDIX E – SAMPLE LETTER: UNABLE TO VALIDATE ACCOUNTBLE EXECUTIVE

Note:

Letters shall be prepared using Transport Canada letterhead. Form number 03-0068, RDIMS number 837088. You may also refer to the sample letter under RDIMS document number 1944347.

[TCCA Office Address]

[Date]

[Company Name]

[Company Address]

Dear ***[name]***:

Further to ***[our meeting, your letter, etc. of date]***, this letter is in response to your appointment of ***[name]*** as the Accountable Executive for the purposes of Canadian Aviation Regulation 106.02.

The Accountable Executive is the agent for cultural change that, by definition, starts at the top. The regulation requires that the Accountable Executive have control, on behalf of the certificate holder, of the financial and human resources necessary for the operations or activities authorized under the certificate. In financial terms, this is not merely a matter of having control of a large budget but, rather, is directed at the level of the individual who authorizes that budget on behalf of the certificate holder.

Based on the information provided and our understanding of your organization, it appears that ***[name]*** is responsible to you and that you have the authority to override his decisions in respect of human and financial matters. With this in mind, it appears that you are the appropriate person to be identified as the Accountable Executive. Transport Canada concludes, therefore, that the appointment of ***[name]*** does not meet the regulatory requirements.

You are requested to take appropriate measures prior to ***[date: letter date plus 30 days]*** so as to ensure that your company's activities are conducted in compliance with the regulations.

Thank you for your attention to this matter. Please feel free to contact me if you require further information or any other assistance.

Yours Truly,

Civil Aviation Safety Inspector

[Division]

[Region]

Enclosure – validation form