

TOPS AUDIT REQUIREMENTS AND PROCEDURES 2020 Final

AUDIT PROCEDURES

Auditor Selection – TOPS approves auditors for each audit season and enters into a one year TOPS Audit Agreement with the selected auditor(s). TOPS Member Operators select an auditor from the approved list of TOPS auditors that have current agreements signed with TOPS no later than May 1 of that year. The same auditor cannot be used for an operator’s annual audit two years in a row. TOPS will select the auditor for new member audits.

TOPS Audit Agreement – The TOPS Audit Agreement is a two party agreement between the auditor and the operator. Once the operator has selected an approved auditor, the operator must contact TOPS to sign the Agreement between the selected operator and TOPS.

Auditor Training – Auditors are required to complete training to cover the audit requirements, expectations, procedures and areas of special interest each year. Training will be conducted by in person at the general membership meeting or via phone conference prior to the start of the audits.

Audit Plan –The auditor, in consultation with the operator, will prepare an Audit Plan to include audit dates, tour bases to be visited, flight observations and locations along with audit fees per the TOPS Audit Fees policy, and submit the plan to the TOPS Executive Director and the operator prior to the audit.

Auditor Fees and Travel Expenses – Per the approved TOPS Auditor Fees and Travel Expenses schedule, audit schedule and associated fees will be agreed to in writing prior to the audit. The auditor fees will be paid by the operator. The operator shall pay 50% of the audit fees directly to the auditor prior to the audit. Upon completion of the audit, submission of the Audit Checklist, Pre-audit Checklist and Audit Report, including best practices, recommendations and discrepancies, TOPS will direct the operator to pay the remaining 50% of the audit fees to the operator. Any TOPS Program discrepancies that are not resolved prior to submission of the Audit Report may result in additional auditor fees and expenses for the operator.

Audit Processing and Approval –

- The auditor will provide the operator with a pre-audit checklist, which shall be completed prior to the audit.
- The TOPS Executive Director will supply the auditor with a copy of the operator’s prior year’s audit to assist with preparation for the current audit.
- Upon completion of the audit, the auditor will submit to the Audit Committee an electronic copy of the completed audit checklist, the pre-audit checklist, and audit report. The operator and auditor will also submit a scanned or faxed copy of the audit signature page. The audit will not be accepted as complete until a signed page by both parties is submitted.

- TOPS Audit Chair appoints two audit committee members to review each audit and make a recommendation to the Audit Committee. Both reviewing members must be from a different region than the audited operator being reviewed.
- If no discrepancies are noted, the recommendation is made to the Audit Committee and the BOD to approve.
- If discrepancies are noted, the nature of the discrepancies are reported to the Audit Committee and the TOPS Executive Board for further action.
- Copies of the audit checklist, pre-audit checklist, and report shall be retained for one year by TOPS for the purposes of review and approval by the BOD, resolution of discrepancies, and the compilation of safety information for the improvement of the program and industry safety practices.
- Best Practices and Recommendations will be retained in a sanitized form for dissemination to the membership and for use in further developing the Program of Safety.

TOPS AUDIT CHECKLISTS

TOPS Pre-Audit Checklist – Covers the TOPS Program of Safety requirements and other areas deemed important for safe helicopter tour operations. The Program Requirements checklist is used for new member applicants and is completed as a self-audit by operators prior to their annual audit and provided to the TOPS Auditor for their use during the audit in brief process.

TOPS Annual Audit Checklist - The Member Operator Annual Audits are consultative in nature and the checklist shows major TOPS Audit Program areas of interest – i.e. Management, Safety, Flight Operations, Pilots, Flight Coordination, Heliport, Maintenance, Ground Support and an area for Recommendations and Best Practices. Also included is a Specific Areas of Interest.

The TOPS Program of Safety is the reference document for both audit checklists.

AUDIT REQUIREMENTS

- The operator will complete the TOPS Pre-Audit Checklist as a self-audit prior to the annual audit and provide the checklist to the auditor for their use in the audit review process.
- The auditor will visit all of the operator's tour bases and any other facilities necessary to audit training records and maintenance.
- The auditor will conduct an in-briefing with operator senior management
- The auditor will conduct an out-briefing at each base visited and a final out-briefing with operator senior management.
- The auditor will talk with employees at all levels of the company to assess safety culture.
- A minimum of one flight observation (ride along) per TOPS geographical location is required for the audit. If ride along is not available, other means should be used to evaluate the flight, such as reviewing flight videos. Auditors should attempt to conduct ride alongs at a different base each year, if more than one base is operated.
- As a general rule, 1-2 audit days are required for the primary tour base and ½ -1 day at satellite bases depending on complexity and level of activity.

- Program deficiencies discovered during the audit shall be discussed with the operator, with the intent of resolving any discrepancy at the time of the audit or developing a plan with the operator for how the deficiency will be resolved in a timely manner. Discrepancies found and resolved must be noted on the audit, as well as marked as resolved.
- The completed audit must be submitted to TOPS within 30 days of audit completion and not later than September 30. The completed audit is comprised of the signed (auditor and operator) checklist, the pre-audit checklist, an audit report including best practices and recommendations, and status of program deficiencies noted in the report.