
Civil Aviation Authority (CAA)

AW 01 - Data Request to Industry & Desktop Review

RPC rating: **validated**

Description of proposal

The CAA is changing its operating model from a compliance-based to a more risk-based approach. Under the previous system, the CAA carried out annual audits of compliance, the scale of which was determined by the size of the business. It now gathers data from businesses before any audit takes place, conducts a desk-based risk assessment, and tailors its audit approach accordingly.

Impacts of proposal

The assessment states that 652 small and medium sized organisations will be affected by the change; the CAA expects that 533 audits per annum will be carried out using the new approach.

The CAA has identified the following costs of the proposals.

Familiarisation costs

The CAA adopts standard assumptions about reading speeds and assumes an average salary for a quality manager in the relevant industries of £50,000 (based on a sample of vacancies). On this basis, it estimates a total one-off familiarisation cost of around £3000.

Data collection and submission costs

The CAA estimates that the average time taken to collate and submit data per organisation is around 3.5 hours per audit, based on feedback from industry. It argues – again, with support from industry - that the data should already exist as a by-product of assurance processes, so costs of data collection will be minimal. Using these assumptions, it estimates on-going costs of around £56,000 per annum as a result of the requirement to collate and submit data.

The intended benefit of the process is to allow the CAA's audits to focus on the key safety elements which are relevant to a given firm. The CAA argues that this could lead to a reduction in oversight for some firms, but has not attempted to quantify the

benefit to business which will result, on the grounds that it has no data to support such an analysis.

On the basis of the information provided, the RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of £0.1m

Quality of submission

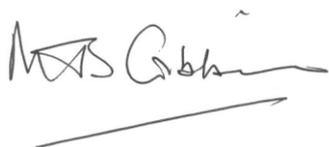
The assessment is proportionate to the scale of the measure, but could be both clearer and more concise. The frequent use of jargon terms and unexplained acronyms make it difficult for the non-expert reader to follow. A clearer explanation of the rationale for the measure and of its benefits to business and wider society would also have been helpful.

Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	£0.1 million
Business net present value	-.£0.5 million

RPC assessment¹

Classification	Qualifying regulatory provision
EANDCB – RPC validated	£0.1 million
Business impact target score	£0.5 million



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT figures to the nearest £100,000