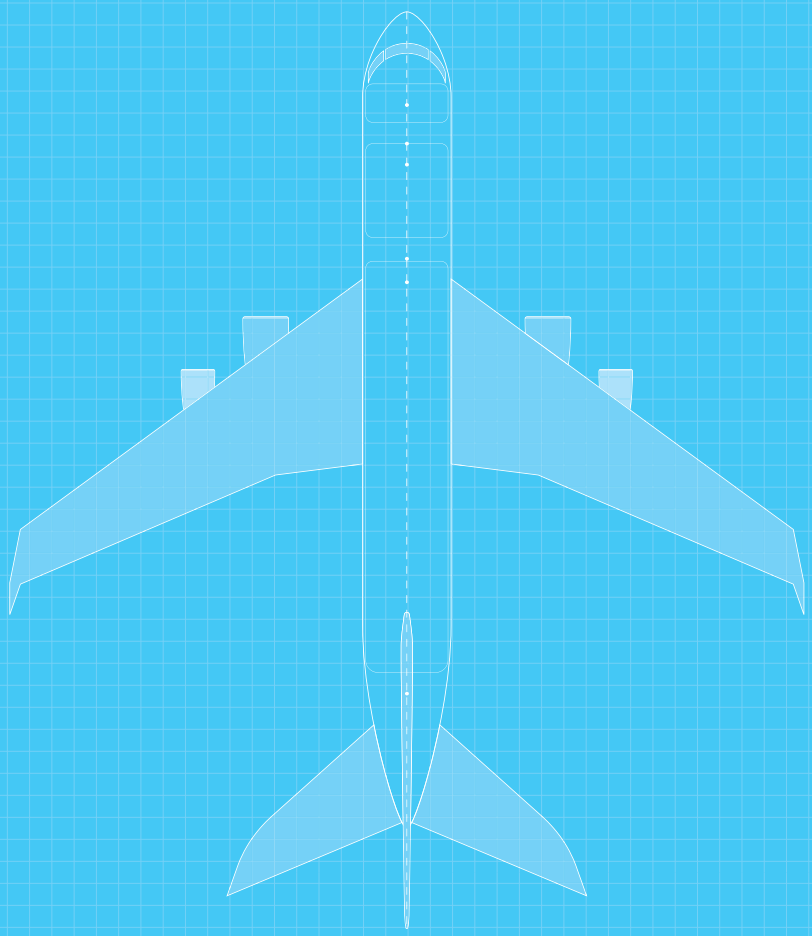
Civil Aviation Authority Sri Lanka

Safe and Efficient Skies for all



SAFE AND EFFICIENT SKIES FOR ALL

Annual Report 2019

Civil Aviation Authority of Sri Lanka

Safe and Efficient Skies for all

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Civil Aviation Authority of Sri Lanka

Presented to Parliament pursuant to Section 15
of the Civil Aviation Authority of Sri Lanka
Act No. 34 of 2002

THEME SONG OF THE CIVIL AVIATION AUTHORITY OF SRI LANKA

Sri Lanka, Civil guwan seva adikariya
Kith yasasin sudile
Heli kota heli hele //

Sakvithi ravana aadi yugeth
Dandu monarin guwana dina//
Vikmathi lakdana va-riya polinuth
Pa vidu nuvana mana//

"Uvaduru thora bava sandaha mul vemu"
vei pera vakiya ape//
"Ikman aya maga negumehi mul vemu"
Me vei dekuma ape//

Ratavesi yuthukam itu vana ayurin
Mau bima ha bademu //
Samaja mehewara sara daham reka
Vagakeemen pudamu//

Lyrics : Kalasuri. Arisen Ahubudu
Singer : Kalakeerthi Deshamanya Dr. Pundit W. D. Amaradewa
Melody : Kalakeerthi Deshamanya Dr. Pundit W. D. Amaradewa

HON. MINISTER OF TRANSPORT & CIVIL AVIATION,

The Annual Report - 2019 was prepared in fulfillment of the legislative requirement stated under Section 15 of the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002. It contains a summary of major activities that the Civil Aviation Authority of Sri Lanka performed during the period from 01st January 2019 to 31st December 2019 and the Statement of Financial Position of the Authority for the financial year 2019.

Upul Dharmadasa
Chairman
Civil Aviation Authority of Sri Lanka
28th February 2020

VISION

To be an adept and credible aviation safety regulator assuring safe skies for all.

MISSION

To facilitate through strategic planning and effective regulation, the operation of a safe, secure, efficient, regular and environmentally-friendly national civil aviation system that conforms to international standards and recommended practices and national legislative requirements.

MOTTO

'Safe and Efficient Skies for All'

SAFE AND EFFICIENT SKIES FOR ALL

THE CIVIL AVIATION AUTHORITY OF SRI LANKA HAS A PROUD HISTORY OF BEING AN EFFECTIVE AND RESILIENT REGULATOR IN THE AVIATION SECTOR. WITH STRICT ADHERANCE TO INTERNATIONAL STANDARDS AND A HIGH PRIORITY PLACED UPON EFFICIENT PROCESSES, WE HAVE NOT ONLY CREATED A SAFE AND STRUCTURED ENVIRONMENT BUT ALSO A PRODUCTIVE ONE. WE HAVE WORKED HARD IN REALISING AND MATERIALISING THE OPPORTUNITIES FOR SRI LANKA AND WILL CONTINUE TO FOLLOW THROUGH ON OUR MOTTO OF ENSURING SAFE SKIES FOR ALL.

Civil Aviation Authority Sri Lanka

Safe and Efficient Skies for all

CONTENTS

ABBREVIATIONS

AE&F	Aerodromes & Facilitation
ANS	Air Navigation Services
AASL	Airport & Aviation Services (Sri Lanka) Ltd
ADG	Additional Director General
AME (BL)	Aircraft Maintenance Engineer (Basic License)
AML	Aircraft Maintenance License
AMO	Approved Maintenance Organisation
AMT	Aircraft Maintenance Technician
ANR	Air Navigation Regulations
AOC	Air Operator Certificate
AS	Aeronautical Services
ASN	Aviation Safety Notice
ASM	Aviation Safety Monitoring
AT&ER	Air Transport and Economic Regulation
ATC	Air Traffic Control/Air Traffic Controller
AV. SEC	Aviation Security
AW	Airworthiness
AWE	Airworthiness Engineer
BIA	Bandaranaike International Airport
CAASL	Civil Aviation Authority of Sri Lanka
CADEC	Civil Aviation Development and Educational Committee
CEO	Chief Executive Officers
COSCAP-SA	Co-operative Development of Operational Safety and Continuing Airworthiness Programme – South Asia
CSI	Cabin Safety Inspector
C of R	Certificate of Registration
D	Director
DDG/ASR	Deputy Director General (Aeronautical Service Regulation)
DDG/CAER	Deputy Director General (Corporate Management)
DDG/FSR	Deputy Director General (Flight Safety Regulation)
DDG/ AVSER	Deputy Director General (Aviation Security Regulation)
D/AE&F	Director/Aerodromes & Facilitation
D/ANS	Director/Air Navigation Service
D/AOPS	Director/Aircraft Operations
D/ARAW	Director/Aircraft Registration and Airworthiness
D/ATER	Director/Air Transport & Economic Regulation
D/AVS	Director/Aviation Security
D/HR&PM	Director/Human Resources and Property Management
D/F&RM	Director/Finance & Revenue Management
D/TO&PL	Director/Training Organisations and Personnel Licensing
D/ER&P	Director/Environment, Research & Project
D/QIA	Director/Quality and Internal Audit
DG	Dangerous Goods
DGCA	Director General of Civil Aviation
EASA	European Aviation Safety Agency
ER&P	Environment, Research & Projects
FIR	Flight Information Region
FS	Flight Safety
FPP	Flight Procedure Programme
GSA	General Sales Agent
ICAO	International Civil Aviation Organisation
ICT	Information Communication & Technology
IS	Implementing Standard
PBN	Performance-Based Navigation
LCC	Low-Cost Carriers
LA&EU	Legal Affairs & Enforcement Unit
MRIA	Mattala Rajapaksa International Airport
MT&CA	Ministry of Transport & Civil Aviation
NCASP	National Civil Aviation Security Programme
NCAP	National Civil Aviation Policy
Q&IA	Quality & Internal Audit
RPK	Revenue Passenger Kilometres
RTK	Revenue Tonne Kilometres
SARPs	Standards and Recommended Practices
SAARC	South Asian Association for Regional Cooperation
SARI	South Asia Regional Initiative
SLAS	Sri Lanka Accounting Standards
SLCAP	Sri Lanka Civil Aviation Publication
SLFRS	Sri Lanka Financial Reporting Standards
SMS	Safety Management System
SSP	State Safety Programme
TO&PEL	Training Organisation & Personnel Licensing
USAP	Universal Security Audit Programme
USOAP	Universal Safety Oversight Audit Programme

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	Telephone	: 94-11-2304632, 94-11-2358800
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	Website	: www.caa.lk
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	Telegraphic Address	: AIRCIVIL
	AFTN Address	: VCCCYAYX
Katunayake Office	:	Civil Aviation Authority of Sri Lanka FD II, Departure Terminal BIA, Katunayake
	Telephone	: 94-11-2252269
	Facsimile	: 94-11-2252269
Mattala Office	:	Civil Aviation Authority of Sri Lanka Mattala Rajapaksa International Airport Mattala
	Telephone	: 94-47-7510530
	Facsimile	: 94-47-7510541
Airworthiness Sub Office	:	Civil Aviation Authority of Sri Lanka Colombo Airport Ratmalana
	Telephone	: 94-11-3135828
	Facsimile	: 94-11-2635756
Auditors	:	Auditor General, Democratic Socialist Republic of Sri Lanka
Lawyers	:	Attorney General, Democratic Socialist Republic of Sri Lanka
Banker	:	Bank of Ceylon
Insurers	:	Sri Lanka Insurance Corporation Limited

"THE NATIONAL CIVIL AVIATION POLICY FOR SRI LANKA (NCAP) IS GEARED TOWARDS THE PROMOTION OF THE AVIATION INDUSTRY, BOTH INTERNATIONAL AND DOMESTIC, TO POSITION SRI LANKA AS A REGIONAL LEADER AND TO DERIVE ECONOMIC BENEFITS FOR THE COUNTRY."

The year 2019 was a special year for the aviation community as the International Civil Aviation Organisation commemorated the 75th anniversary of its creation by the 1944 Convention on International Civil Aviation during this year. The Civil Aviation Authority of Sri Lanka too launched some activities aimed at raising public awareness of this important moment in the history of air transport.

After 75 years it is now well recognised that international air connectivity is a crucial driver of economic, social and cultural development, and an indispensable contributor to local tourism growth and job creation.

Globally, aviation today transports around 4.3 billion passengers and 58 million tonnes of freight each year, on more than 38 million flights.

One hundred and seventy-three air navigation service providers help air transport to safely and efficiently manage this global traffic, to the tune of more than 100,000 flights from 3,750 airports transporting over 10 million passengers, each and every day.

This is clearly attested to by the fact that over half of the world's 1.4 billion international tourists reach their destinations by air today, and we should appreciate that all of this combined activity contributes tremendously to global peace, prosperity, and sustainable socio-economic development.

This point is backed up by the fact that air transport directly and indirectly supports over 2.7 trillion dollars in global GDP, while providing sustainable jobs and careers to more than 65 million people all over the world.

In addition to all of these very impressive figures, our region, the Asia Pacific Region, is characterised by the highest rate of traffic growth globally, at around 10 per cent annually.

Further, the combined market share of Asia Pacific carriers today accounts for some 33 per cent of global passenger traffic and 39 per cent of global freight traffic.

The region's overall air transport industry supports 31 million jobs and 632 billion dollars in Gross Domestic Product (GDP), and impressively some 35 per cent of today's global airport investments are concentrated here in Asia, supporting over 540 infrastructure projects worth almost 200 billion dollars.

Given that Asia Pacific is maintaining the highest traffic growth rate in the world, the challenges of long-term global growth will likely be more acute for the states in this region than in other parts of the world.

As such all states in the region must take necessary actions to effectively manage air transport growth to mitigate significant risks which will be generated by increasing flight and passenger volumes.

In this connection, the Civil Aviation Authority of Sri Lanka has taken several steps during 2019 independently and together with civil aviation industry organisations in Sri Lanka.

A 'National Civil Aviation Policy for Sri Lanka' was developed by CAASL in consultation with public and private stakeholders in the industry. The draft agreed upon among the stakeholders was submitted for the approval of the Cabinet of Ministers who approved the NCAP for implementation in March 2019. The National Civil Aviation Policy for Sri Lanka (NCAP) is geared towards the promotion of the aviation industry, both international and domestic, to position Sri Lanka as a regional leader and to derive economic benefits for the country.

As decided by the Government of Sri Lanka to develop Palali Airport as a regional international airport, the CAASL initiated a Palali Airport development project and completed the Phase I of the project within this year. Under Phase I of the project a new apron, taxiway, air traffic control tower and a terminal building were constructed in the northern side of the runway exclusively for civil aircraft operations. The airport was certified as an international airport after a five-day audit conducted by the Aerodromes and Facilitation Section of the CAASL to ascertain its compliance with the required international and local standards. The airport was opened for regional international air traffic operations on 16th October 2019. At present aircraft carrying less than 90 passengers can be operated from this airport.

The Air Navigation Regulations Section of the CAASL has provided all regulatory assistance to the Airport & Aviation Services (SL) Ltd. for the implementation of Automatic Dependent Surveillance – Broadcast (ADS-B) System which is an essential air traffic surveillance system recommended by ICAO for its member states. The ADS-B system was approved for surveillance operations by CAASL after conducting a safety assessment and a three-month trial period.

Although the cost of communication, navigation and surveillance equipment as well as the cost of provision of air navigation services have been rising steadily, Sri Lanka has not revised En-route Navigation Charges (ENC) during the last 38 years from the aircraft flying through

the airspace allocated to Sri Lanka by the Regional Air Navigation Plan, within which Sri Lanka is providing air navigation services for all aircraft. In a study conducted by the CAASL, as instructed by the Hon. Minister of Transport and Civil Aviation, it was revealed that ENCs levied by the states adjoining the airspace allocated to Sri Lanka are much higher than the ENCs currently being levied by Sri Lanka.

Accordingly the CAASL developed a mechanism to revise ENCs currently being levied by Sri Lanka to be comparative with the charges levied by the other states and submitted same to the Ministry of Transport and Civil Aviationfor approval from the Cabinet of Ministers for the implementation in order to earn more, much-needed foreign exchange.

The Flight Operation Section of CAASL issued six Foreign Air Operator Certificates (FAOC) for six foreign air operators, namely Vistara Airlines, LOT Polish Airlines, Royal Flight Airlines, Sky Up Airlines, Salam Air and Alliance Air to commence their operations to Sri Lanka. This section has renewed 28 Foreign Air Operator Certificates and 11 Air Operator Certificates (AOCs).

The Aircraft Registrations and Air Worthiness Section has issued a total of eight initial Certificates of Airworthiness and renewed 74 Certificates of Airworthiness. This section has renewed 15 Aircraft Maintenance Organisations (Local) certificates, 58 Aircraft Maintenance Organisations (Foreign) Certificates and certified four Aircraft Maintenance Training Organisations. Eight new aircraft were registered during the year while 80 aircraft registrations were renewed. During the period under review, a total of seven Aircraft from the Sri Lankan fleet de-registered and one Export Certificate of Airworthiness was issued.

In terms of aviation security, Certification of Aviation Security Service Provider at BIA was completed with a comprehensive audit followed by several follow-up Inspections. The relevant license will be issued within the 1st quarter of 2020, once the administrative procedures are completed. The Aviation Security Section has Certified/Re-certified 13 Aviation Security Mangers, six Aviation Security Instructors and 690 Aviation Security Screeners. Further, the section has re-certified two numbers of explosive trace detectors in SriLankan Airlines.

During the year under review, 35 scheduled airlines operated to/from Sri Lanka, including SriLankan Airlines. World-leading air carriers like Emirates Airlines, Korean Air, Cathay Pacific Airlines, Air China, Etihad Airways, Turkish Airlines, Singapore Airlines and Qatar Airways continued their operations to Sri Lanka despite the unfortunate Easter bombings which took place in April this year. However, in the aftermath of this incident, several airlines reduced frequencies owing to the reduced demand for travel. Towards the latter part of the year, airlines re-instated their original number of frequencies and continued their normal operations.

Total passenger movements at BIA has been recorded as 9.9 Mn, whilst 56% of these passengers were carried by the National Carrier. This is approximately one million less than the previous year's passenger movements.

CAASL has recorded a 6% increase in revenue compared to the previous year. Overseas Sales Surcharge Income and Regulatory Service Income, contributed to this growth.

I acknowledge with gratitude the excellent work performed by the Director General of Civil Aviation and all the employees of the CAASL at all levels. Further, I take this opportunity to thank the Board of Directors who have been mindful of their responsibilities at all times and for their assistance and guidance. I also wish to thank the Hon. Minister of Transport and Civil Aviation, Secretary and all the officials of the Ministry of Transport and Civil Aviation for their co-operation and guidance.

Upul Dharmadasa
Chairman
Civil Aviation Authority of Sri Lanka

"SAFE AND EFFICIENT SKIES FOR ALL"

Overview

The Civil Aviation Authority of Sri Lanka (CAASL) was established under the Civil Aviation Authority Act No. 34 of 2002 on 27th December 2002. It is deemed a Public Enterprises for the purpose of audit of accounts under Article 154 of the Constitution of the Democratic Socialist Republic of Sri Lanka.

The primary function of the CAASL is to regulate the local civil aviation industry under the legislative provisions in the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002 and Civil Aviation Act No.14 of 2010, in conformity with the applicable International Standards and Recommended Practices adopted by the International Civil Aviation Organisation (ICAO). These measures are aimed at higher performance in safety, security, efficiency, regulatory and environmental responsiveness of the industry that contributes to growth of the national economy, for enhancement of quality of life of citizens of the country.

The Civil Aviation Authority of Sri Lanka consists of eight (08) members and five (05) of them are appointed by the Hon. Minister in-charge of the subject of Civil Aviation. The Secretary, Ministry of Defense, a representative of the Hon. Minister in-charge of the subject of Finance and the Director General of Civil Aviation are the other three (03) members of CAASL, ex-officio. The Chairman and Vice Chairman of the CAASL are appointed by the Hon. Minister in charge of the subject of Civil Aviation. The Director General of Civil Aviation appointed by the Cabinet of Ministers is the Chief Executive Officer of the CAASL, by statute.

The term of office of the appointed members is three (03) years from the date of appointment.

The Authority is subject to the general direction and control of the Hon. Minister in-charge of the subject of Civil Aviation.

Overview of the Sections and Units

Aerodromes & Facilitation Section

The Aerodromes & Facilitation Section is responsible for assisting the Director General of Civil Aviation to carry out safety related regulatory functions related to aerodromes, water aerodromes and helicopters in Sri Lanka, which includes standards for aerodrome, heliport and facilitation for international air transport.

Air Navigation Service Section

The primary responsibility of the Air Navigation Services Section is to formulate rules and regulations governing the provision of air navigation services within Colombo FIR in accordance with the applicable international standards and recommended practices adopted by the International Civil Aviation Organisation (ICAO) and to ensure that those standards are complied with by the air navigation service providers in Sri Lanka.

Training Organisation and Personnel Licensing Section

The Training Organisation and Personnel Licensing Section is responsible for the development of rules and procedures relating to certification and surveillance of training organisations and personnel engaged in safety and sensitive activities relating to civil aviation, in conformity with the applicable international standards and recommended practices.

Aircraft Operations Section

The main role of the Operations Section is to certify the Air Operators and oversee the safety of commercial aviation activities including Transportation of Dangerous Goods by Air within Sri Lanka through a licensing and approval process followed by continuous regulatory safety oversight.

Aircraft Registration and Airworthiness Section

The Airworthiness Section helps in maintaining airworthiness aspects of civil aviation in this country. In a broader sense this function includes air transport operators, approved maintenance organisations and oversight of any other person or organisation involved in the design/production/modification/repair/maintenance of aircraft and training aspects of personnel engaged in civil aviation.

Aviation Security Section

The primary objective of the Aviation Security Section is the development, maintenance and implementation of the National Civil Aviation Security Programme to meet all International Civil Aviation Security standards to ensure a secure environment for civil aviation operations in Sri Lanka.

Air Transport & Economic Regulations Section

The Air Transport and Economic Regulation section is one of the main role players in the Corporate Division of the Civil Aviation Authority which shoulders the responsibility of regulating the aviation industry in Sri Lanka.

Human Resources & Property Management Section

This section functions as a support service for the main functions of the CAASL under the Corporate Division. Recruitment of staff, staff training, staff allocations, cadre creations, implementation of welfare schemes and general administration are mainly carried out by the Human Resources and Property Management Section.

Financial and Revenue Management Section

The role of this section is to manage limited financial resources efficiently, effectively and economically in accordance with the CAA/ Government policies, rules and procedures, and maintain books in conformity with the General Accepted Accounting Principles and Sri Lanka Accounting Standards published by the ICASL and to provide true and fair status financial accounts.

Air Transport & Economic Regulations Section

The Air Transport and Economic Regulation section is one of the main role players in the Corporate Division of the Civil Aviation Authority which shoulders the responsibility of regulating the aviation industry in Sri Lanka.

Aviation Security Section

The primary objective of the Aviation Security Section is the development, maintenance and implementation of the National civil aviation security Programme to meet all International Civil Aviation Security standards to ensure a secure environment for civil aviation operations in Sri Lanka.

Environment, Research & Project Section

The Environment Research & Project Section is responsible for conducting Research related to the Aviation, Civil Aviation Developments and Civil Aviation Promotion, managing CAASL Statistical Programme, conducting CAASL Events, Physical Infrastructure Developments, Publication of CAASL Documents/Reports/Bulletins and implementation of Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) Programme.

Information Communication & Technology (ICT) Unit

This unit provides an efficient, secure, reliable and sustainable IT infrastructure to meet the business and service needs of the CAASL.

Legal Affairs & Enforcement Unit

The main objective of the LA & E Unit is to streamline the work relating to the legal and enforcement matters of the CAASL.

Quality and Internal Audit Section

The main objective of the Quality and Internal Audit Section is to provide independent assurance that CAASL's risk management, governance and internal control processes are operating effectively and to ensure that quality requirements are fulfilled.

Aviation Safety Monitoring Unit

The Aviation Safety Monitoring Unit is responsible for ensuring the State's obligations in relation to aircraft accident and incident investigations and implementation of State Safety Programmes (SSPs) in conformity with the International Standards and Recommended Practices contained in ICAO Annex 13 and Annex 19 respectively.

The main tasks of the Unit are to carry out administrative functions under aircraft accident and incident investigation under ICAO Annex 13. In the implementation of SSP the Unit supports managing safety functions under ICAO Annex 19 in order to achieve specific goals, such as continuous reduction of operational safety risks, implementing the eight critical elements of a safety oversight system and full implementation of effective SSPs.

Members of The Civil Aviation Authority of Sri Lanka

12th Board of the Civil Aviation Authority of Sri Lanka

S/No.	Name	Designations
1.	Mr. Ananda Wimalasena	Chairman CAASL
2.	Mr. Shashi Dhanatunge	Vice Chairman, CAASL
3.	Dr. Aminda Methsila Perera	Member
4.	Mr. Suren Goonewardene	Member
5.	Mr. Parakrama Bandara Embogama	Member

S/No.	Name	Designations
6.	Mr. Hemasiri Fernando	The Secretary to the Ministry of the Minister in Charge of the Subject of Defence from 2018/10/18 to2019/04/25
	General Shantha Kottegoda	The Secretary to the Ministry of the Minister in Charge of the Subject of Defence from 2019/04/29 to 2019/11/18
7.	Mr. Priyantha Rathnayake	The Representative of the Ministry of the Minister in Charge of the subject of Finance nominated by that Minister
8.	Mr. H. M. C Nimalsiri	Director General of Civil Aviation and Chief Executive Officer of Civil Aviation Authority of Sri Lanka

Ministry Observer – Ministry of Transport & Civil Aviation

1.	Ms. Awanthi Senaratne	Director (Aviation) Ministry of Transport & Civil Aviation

BOARD OF DIRECTORS

Mr. Ananda Wimalasena
Chairman of the CAASL

Mr. Shashi Dhanatunge
Vice Chairman of the CAASL

Mr. H. M. C Nimalsiri
Director General of Civil Aviation and Chief Executive Officer – Member Ex-Officio

Dr. Aminda Methsila Perera
Member of the CAASL

Mr. Suren Goonewardene
Member of the CAASL

Mr. Parakrama Bandara Embogama
Member of the CAASL

Mr. Hemasiri Fernando
Member Ex-Officio

General. S.H.S Kottegoda
Member Ex-Officio

Mr. Priyantha Rathnayake
Member Ex-Officio

Ms. Awanthi Senaratne
Ministry Observer

Profiles of the Members of the 12th Board of CAASL

Ananda Wimalasena

Chairman

Ananda Wimalasena assumed duties as the Chairman of the Civil Aviation Authority on 13th October 2015. Previously he was Chairman of Airport & Aviation Services (SL) Limited. He has held many other prestigious positions in both the private and public sectors, including as the founder Managing Director of Asiri Hospitals Limited and Chairman of State Pharmaceutical Corporation. A science graduate and an accountant by profession, Mr. Wimalasena is a product of Ananda College, Colombo and University of Ceylon, Colombo.

Shashi Dhanatunge

Vice Chairman

Shashi Dhanatunge is a senior management professional with demonstrated excellence in administration, business development, international sports management, sponsorship marketing/ events management in the UK, South Africa and Sri Lanka.

He assumed the post of Vice Chairman CASL in 2019 and the same year was appointed Brand Ambassador of the National Association of One Belt One Road in Sri Lanka. Previously he has been Chairman Ceylon Shipping Corporation, Director Magampura Port Management Company, Director Lanka Coal Company Ltd., in addition to holding positions at many other private companies and as board/committee member at various institutions.

Shashi is the author of numerous papers and presentations on a variety of topics and since 2019 has been advising companies on digitalisation using AI, structuring investments on renewable energy projects and strategising township developments under smart and green city concepts.

H. M. C Nimalsiri

Director General Civil Aviation/CEO CAASL
Member ex-Officio

Mr. Nimalsiri has been Director General of Civil Aviation and CEO of the Civil Aviation Authority of Sri Lanka since July 2002, having held the post of Assistant Director (Operations) in the Department of Civil Aviation since 1987. He is amongst the few officials who pioneered drafting of the new legislative framework paving way for the establishment of the Civil Aviation Authority of Sri Lanka and the enactment of the Civil Aviation Act No. 14 of 2010 which replaced the Air Navigation Act No.50 of 1950.

He was instrumental in revamping and updating the civil aviation regulatory system in Sri Lanka giving effect to all ICAO Standards and Recommended Practices in Sri Lanka.

Mr. Nimalsiri has taken part in various regional and international conferences on civil aviation and many bilateral air services negotiations with foreign states representing the CAASL and former Department of Civil Aviation.

From 2007 - 2010 he served as the Programme Coordinator of the regional programme established by seven South Asian States for development of safety oversight capacities through regional cooperation.

Since 2014, Mr. Nimalsiri has served as Chairman of the Regional Aviation Safety Group of the States in the Asia and Pacific Region (RASG-APAC). He was also elected Second Chairman of the Asia Pacific Air Navigation Planning & Implementation Group (APANPIRG) of the Asia and Pacific Region which is steered under ICAO, for planning and implementation of air navigation matters in the Asia Pacific Region.

Mr. Nimalsiri obtained a B.Sc. from the University of Colombo and has followed a M.Sc. in Computer Science at the same University.

Dr. Aminda Methsila Perera

Board Member

Dr. Perera who was appointed to the Board of Directors of CAASL in October 2015, is a Senior Lecturer in Financial Management at the Department of Accountancy, Wayamba University of Sri Lanka. He has served a number of private and State organisations in different capacities. Currently he serves as a Director of People's Bank, National Library and Documentation Board, and Pride of Ceylon (Pvt.) Limited. In 2019 he served as Director of the Building Materials Corporation and the Sustainable Energy Authority and was Consultant to the Ministry of Buddhasasana and Wayamba Development.

He obtained a B.Sc. (Special) Degree in Public Administration, University of Sri Jayewardenepura. His first Master's degree in Business Administration (International Financial Management) was from IGNOU India, and the second in Business Administration (Marketing) is from Wayamba University of Sri Lanka. He went on to receive his first PhD in Consumer Behaviour from Wayamba University and a second PhD degree in Business Administration from Keisei International University, South Korea.

Suren Goonewardene

Board Member

Suren Goonewardene has over two decades worth of rich domain experience across multiple industries, including Telecom to Information Communication Technologies. Currently he is CEO of E-W Information's Systems having served at Bharti Airtel Lanka as CEO/Managing Director, Dialog Telekom and Lanka Bell, over a period of 20 years.

Suren is a Council Member of the Employers' Federation and sits on numerous boards in private and public companies in the capacity of Non-Executive Director. Some of these organisations include Ceylon Shipping Corporation, First Guardian Equities Pvt. Ltd, Guardian Equities and Dawi Investment Trust Pvt. Ltd.

He is a Member of the Certified Practicing Accountants of Australia, a Fellow Member of the Chartered Institute of Marketing UK, a fellow member of the Certified Management Accountants of Sri Lanka and a member of the Sri Lanka Institute of Marketing, Ceylon Chamber of Commerce and Executive Committee of the Indian Chamber of Commerce in Sri Lanka.

Suren holds a bachelor's degree in Business Accounting from Monash University, Australia and a Graduate Diploma in Marketing from the Chartered Institute of Marketing, UK.

Parakrama Bandara Embogama

Board Member

Parakrama is currently Head of Sales, Union Assurance PLC, counting 35 years of experience in the field of insurance, having begun his career at Aitken Spence & Co, as a trainee Insurance Underwriting Assistant.

He has attended seminars and training courses in China, Thailand, Dubai, Malaysia, Japan, India, Indonesia, Singapore, Hong Kong, USA and Australia.

He was the Charter President of Rotaract Club of Kurunegala (1987-1989) and has been a founder member of several societies and clubs in Kurunegala. He is currently the President Elect of the Rotaract Club of Athugalpura.

Parakrama is currently pursuing his MBA at a reputed university in USA.

Hemasiri Fernando

Board Member ex-Officio

Before beginning his career in public service Hemasiri served in the Sri Lanka Navy, from which he retired with the rank of Commander, having served in combat areas.

Hemasiri began his career in the public sector as Secretary to Prime Minister Sirimavo Bandaranaike. He later chaired Sri Lanka Telecom, Airport and Aviation Services and Telecom Services and has served as Secretary to the Ministry of Postal Services.

Since 2015 Hemasiri has served as Chairman, People's Bank, Non-Executive, Non-Independent Chairman of People's Leasing & Finance PLC and also serves as its Director. He is also Non Executive, Non-Independent Chairman at People's Merchant Finance PLC.

His is the longest serving President of the National Olympic Committee, Vice President of the Olympic Council of Asia and Commonwealth Games Federation and has represented Sri Lanka in rifle shooting as National champion. He was conferred with the OCA Award of Merit by the Olympic Council of Asia and the ANOC Award of Merit by the Association of National Olympic Committees.

He has B.A (Econ) from the University of Colombo, an Associateship in the Institute of Travel and Tourism UK (A INST TT) and a Fellowship of the British Institute of Management (FBIM). He is also the Honorary Consul for the Kyrgyz Republic in Sri Lanka.

General. S.H.S Kottegoda (Retired)

Board Member ex-Officio

General Kottegoda's distinguished military career spans over 36 years during which time he held many key appointments all areas of defence, intelligence, peace keeping and conflict resolution. He was appointed 17th Commander of the Sri Lanka Army in 2004 and assumed duties as the Secretary to the Ministry of Defence in April 2019.

Following his military career, he represented Sri Lanka as Ambassador to Brazil and Thailand and was accredited to Laos and Cambodia, during which time he was also a permanent representative of UN ESCAP in Bangkok, Thailand. During his Ambassadorship in Brazil he received the President's Medal for distinguished contribution and services made by a foreigner for the uplifting of friendly relations between the two countries.

Gen Kottegoda is the recipient of several awards and medals for gallantry and bravery: Weera Wickrama Vibhushana, Rana Wickrama Padakkama, Rana Sura Padakkama and the Utthama Seva Padakkama and Vishista Seva Vibushanaya for unblemished, exceptional, exemplary conduct.

Priyantha Rathnayake

Board Member ex-Officio

Priyantha is Director General, Department of External Resources under the Ministry of Finance, which is responsible for mobilising foreign financing for economic development of the country. He is a Super Grade officer in the Sri Lanka Planning Service and has been in public service for over 25 years in various positions having begun his career as Assistant Director in the Planning Service of the Department of National Planning.

In May 2015 he was appointed as DG/ERD in in the Ministry of National Policies and Economic Affairs. Priyantha is an Alternate Executive Director to the newly established Asian Infrastructure Investment Bank located in Beijing, China representing the Sri Lankan Government.

The many positions he has held include: Chairman, National Savings Bank, Director, Civil Aviation Authority of Sri Lanka, People's Bank, Sri Lanka Institute of Tourism & Hotel Management and Member of the Board of Directors, State Pharmaceuticals Corporation of Sri Lanka (SPC), Mahaweli Authority of Sri Lanka, National Aquaculture Development Authority of Sri Lanka.

Awanthi Senaratne

Ministry Observer

Awanthi Senaratne is Director (Aviation) at the Ministry of Transport and Civil Aviation. She is a Class I Sri Lanka Administrative officer with 17 years of experience who has delivered notable service to the country by holding many key posts under the Ministry of Public Administration, Ministry of Home Affairs and Ministry of Agriculture. Ms. Awanthi has contributed her valuable experience and knowledge to the field of civil aviation since 2018, in many salient development programmes. She has participated in a few major civil aviation conferences as a member of the State delegation.

She holds a Bachelor's degree (BA) from the University of Sri Jayawardhanapura, a Master's degree in Public Administration (MPA) from University Sains, Malaysia and completed a Diploma in Economic Development from the University of Colombo. In addition, she obtained her Post Graduate Diploma in Education from the National Institute of Education.

SENIOR MANAGEMENT OF CAASL

Mr. H M C Nimalsiri

Director General of Civil Aviation and Chief Executive Officer

Mr. S A Jayawickrama

Additional Director General

Mr. P P Jayaweera

Deputy Director General Corporate Affairs and Economic Regulation

Mr. S P R Manukulasuriya

Deputy Director General Airspace and Security Regulation

Mr. P R Perera

Deputy Director General Flight Safety Regulation

Mr. P A Jayakantha

Deputy Director General Aviation Security Regulation

Mrs. K V P R M De Silva

Director – Quality and Internal Audit

Mr. K M M N Dassanayake

Director – Environment Research and Project

Mrs. C S Casseer

Director – Aerodromes & Facilitation

Mr. M A K Prasanna

Director – Air Navigation Services

Mr. S U Nagahawatta

Director – Training Organisation and Personal Licensing

Capt. W L A Fernando

Director – Aircraft Operations

Mr. Rayhan Wanniappa

Director – Air Transport and Economic Regulation

Mrs. S I Magamamudali

Director – Human Resources and Property Management

Mrs. M N Wickramanayake

Director – Finance & Revenue Management

Stance

The airspace above us is a public asset with vast potential for socio-economic development that needs to be managed for the progress and prosperity of the country and posterity of the nation.

Goals

- To achieve or exceed safety and security outcome targets
- To be appropriately resourced
- To be professional and competent
- To attain wide credibility and recognition
- To sustain or enhance achievements
- To achieve the highest level of productivity in all activities undertaken
- To maintain a high degree of compliance with international standards and Recommended Practices
- To be a strong facilitator for planning and development of civil aviation

Strategies

- Improved and consistent implementation of statutory functions and fulfillment of social obligations in conformity with applicable international standards and recommended practices
- Identification and implementation of solutions to significant aviation problems
- Introduction of specific culture change initiatives
- Working in co-operation and partnership with the aviation industry
- Operating in a transparent and consistent manner and communicating effectively both externally and internally
- Maintaining the effectiveness and consistency of all documents, materials, and internal procedures

Values

The CAASL and its employees shall:

- Assign top priority and importance to aviation safety and promote a safety culture
- Excel in the services being provided to the CAASL clientele
- Have a 'can do' attitude in everything being undertaken
- Aim to be reliable, realistic and consistent
- Be willing and able to change in pursuit of continuous improvement
- Work together to achieve success
- Be open, honest and transparent
- Promote efficiency, productivity and regularity in all activities
- Trust and respect colleagues and thereby uphold teamwork
- Value everyone's contribution
- Recognise social responsibilities and obligations
- Enjoy what is being done
- Take pride in the professional approach
- Have a balanced home and work environment

CAASL's Immediate Targets

- To prevent fatal accidents in the commercial aviation sector
- To prevent hijacking and unlawful interference in civil aviation
- To prevent general aviation accidents
- To prevent fatal aviation related accidents on ground at airports
- To reduce accidents in engineering/ maintenance workshops
- To minimise aviation occurrences
- To support minimising delays in on-time departures
- To encourage improving quality of service in air travel
- To facilitate minimising congestion and expedite passenger processing at airports, whilst being mindful of security requirements
- To help minimise operational cost in air transportation and eliminate waste
- To help minimise adverse effects of aviation on the environment
- To educate school children on the potential benefits of civil aviation
- To groom the next generation of aviation professionals

Expected Outcome

- Fulfillment of the State's international obligations in the field of civil aviation and constant implementation and enforcement of international standards and recommended practices, registering a very high level of effective implementation of SARPS

- International recognition of the civil aviation system of Sri Lanka which is free from embargoes/restrictions and avoidance of significant safety concerns being raised by ICAO against the State's aviation system
- Enhanced safety, security, regularity and efficiency in civil aviation and consequential public confidence in the air transport system
- Optimum use of Sri Lanka airspace for the wellbeing of the citizens of Sri Lanka
- Socio-economic development of the country
- Prevention of economic waste caused by unreasonable competition
- Improved access and mobility of people and goods by air
- Dependable services in the field of civil aviation
- Education of school children in the field of civil aviation
- Promotion of all aspects of civil aeronautics
- Mitigating risks to public health posed by air transport
- Mitigating the harmful effects caused by air transport on environment

Output

Output Class	Output
Policy Advice	• Advise Government and other organisations • Legislative reforms • Development of rules • Development and promulgation of implementing standards • Development of Aviation Policy • Development of manuals of procedure • Master planning of aviation infrastructure
Safety Assessment & Certification	• Risk management of airport/airfield sector safety • Airlines sector safety in general aviation sector safety • Personnel licensing safety • Flying training safety • Aircraft maintenance safety and Aviation services sector safety risk management
Safety Analysis, Information and Promotion	• Safety investigation • Safety analysis • Safety information, education and promotion • Aircraft accident and incident investigations and implementation of safety recommendations
Authorisation	• Airline schedule approval • Airfare approval • Travel agent certification • Registration of aircraft • Authorisation for import of aircraft spare parts • Authorisation of High structure constructions • Authorisation for GSA • Designation of local carriers for international operations
Security Assessment	• Civil aviation sector security risk management
Enforcement	• Responses to regulatory breaches • Enforcement of public health and hygienic requirements
Assistance to the Government	• Collection of embarkation levy from airlines

REGULATORY SCOPE

By the end of 2019, the Regulatory Scope of the Civil Aviation stood as follows:

Regulated Area	2019	2018	Change (%)
Airports			
Domestic Land Airports	11	12	-8
Domestic Water Aerodromes	11	16	-31
International Airports (With RMA)	3	2	50
Airlines			
Local Airlines engaged in domestic air services	10	11	-9
Local Airlines engaged in international air services	2	2	0
International Foreign Airlines	43	41	5
Training Organisations			
Flying Schools	8	7	14
Type Rating Training Organisations	3	3	0
Engineering/Maintenance Schools	4	5	-20
Civil Aviation Training Centres	1	1	0
Air Navigation			
Air Navigation Service Providers	1	1	0
Registration and Airworthiness of Aircraft			
Large Aircraft (Maximum take-off weight 5,700kg & above)	29	31	-6
Small Aircraft (Maximum take-off weight less than 5,700kg)			
Light Transport Aircraft	42	41	2
Ultra-Light Aircraft	2	2	0
Helicopter	9	12	-25
Hot Air Balloons	6	6	0
Synthetic Training Devices/Flying Training Devices			
Local full flight Simulators – A 320/A 330/ Integrated Panel Trainer	3	3	0
ATC Simulator	1	1	0
Personnel Licensing			
Student Pilot License Holders	260	216	20
Private Pilot License Holders	146	133	10
Commercial Pilot License Holders	321	258	24
Air Transport Pilot License Holders	400	322	24
Air Traffic Control License Holders	68	43	58
Aircraft Maintenance Engineer License Holders	2	0	-
Aircraft Maintenance License Holders	392	508	-23
Flight Dispatcher License Holders/Flight Operation Officer License	3	212	-99
Aeronautical Station Operator License Holders	0	4	-100
Cabin Crew Member Certificate Holders	245	509	-52
Flying Instructors	1	9	-89
Assistant Flying Instructors	9	11	-18
Ground Instructors License Holders	17	16	6
Flight Examiners	6	4	50
Designated Check Pilots	21	34	-38
Civil Aviation Medical Examiners/Medical Assessor	6	6	0
Certified Aviation Security Screeners	806	385	109
Certified Aviation Security Instructors	7	12	-42
Certified Aviation Security Managers	22	17	29
Air Transport Service Providers			
Global Distribution Service Providers	4	4	0
Air Transport Service Provider License Holders	533	520	3
Air Transport Service Provider License – Group A	448	412	9
Air Transport Service Provider License – Group B	85	108	-21
General Sales Agents	24	28	-14

Role of the Authority

The major role of the Authority includes, but is not limited, to the following:

- Communicating with the Hon Minister in charge of the subject of civil aviation and other Government stakeholders to ensure their views are reflected in the planning of the country's civil aviation sector
- Setting policies and goals in the field of civil aviation and monitoring organisational performance towards achieving the objectives of the CAASL and updating the CAA Corporate Plan to reflect the Government's objectives in the civil aviation sector
- Delegating responsibility for the achievement of specific objectives of the Director General of Civil Aviation who is also the Chief Executive Officer, CAASL – ex officio
- Employing qualified and skilled personnel and determining their terms and conditions of service including remuneration to be able to perform CAASL's functions and duties
- Being accountable to the Hon Minister in charge of the subject of civil aviation on plans and progress towards the implementation of the CAASL Corporate Plan

Board Members

Honorable Minister of Transport and Civil Aviation appointed the members to the Board of the Civil Aviation Authority in terms of powers vested in him under the CAASL Act 34 of 2002.

Mr. Ananda Wimalasena and Mr. Dhanatunge, were appointed as the Chairman & Vice Chairman respectively.

The Board of Directors

Board of Directors of the Authority comprises members who have diverse skills and experience in the business, legal, financial, and aviation industry to bring a wide range of thoughts and views on policy issues relating to civil aviation.

Once appointed, all members are expected to act in the best interest of the Civil Aviation Authority and must acknowledge that the Authority stand unified behind all of its decisions and that individual members have no separate governing role outside the Authority.

The Authority directs the Chief Executive Officer by delegating powers and functions for achievement of CAASL's objectives through setting policies and procedures. The forward plans of the Authority are included in its triennium Corporate Plan and are effectively monitored through the Annual Work Programme, Training Programme, Procurement Programme, Programme Budget and Audit Programme which are approved by the Authority at the beginning of every year. The Authority also gives directions to the Chief Executive Officer through Board Resolutions in regard to all matters for which no specific provisions are currently available and it is the duty of the Chief Executive Officer to give effect to such resolutions.

Executive Powers of the Authority

In terms of the Civil Aviation Authority of Sri Lanka Act. No. 34 of 2002, the Cabinet of Ministers appoints the Director General of Civil Aviation who shall also be the Chief Executive Officer of the Civil Aviation Authority by Statute.

He shall be subject to such terms and conditions of employment as shall be determined by the Cabinet of Ministries, and shall carry out all such duties and functions assigned to him by or under the Civil Aviation Authority of Sri Lanka Act or any other applicable written law and be charged with the general administration of the functions of the Authority. The Authority acknowledges that Director General of Civil Aviation will act independently in regard to the statutory functions that are assigned to him by statute. However, in the discharge of such duties and functions, he may use the CAASL's resources within the approved procedures and guidelines.

Authority Committees

The Authority has set up two (02) standing committee, viz. Staff Committee, Audit & Management Committee to focus more attention on specific issues and design and implement development plans. Each Committee has been delegated powers for establishing and monitoring the organisation's progress towards meeting the objectives of the Authority and achieve the set targets and goals. Notwithstanding the delegation of powers and functions to any of the following Committee, the Board may continue to exercise its powers on any or all such matters as deemed necessary.

Staff Committee

The Staff Committee is responsible to the Authority in respect of the following matters:

- Adoption of an organisational structure and modification thereof as and when necessary
- Determination of salaries and cadre
- Employees' matters pertaining to selection, recruitment, appointment, promotion, demotion, retirement/ termination etc.
- Development or revision of Scheme of Recruitment as and when required
- Development of Staff Rules and Administrative Procedures for CAASL
- Development of Office Procedures for CAASL
- Disciplinary actions on employees

- Development of Disciplinary Procedures for CAASL Employees
- Revising or Updating the CAA Corporate Plan as and when required
- Monitoring the Annual Work Programme and Training Policies, Procedures and Programme of the CAASL
- Grant of approval for employees overseas training and grant of scholarships for CAASL employees
- Grant of approval for acquiring movable or immovable properties and/or planning and development of such properties
- Development of compensation schemes for premature retirement or separation for DCA employees
- Development of social and welfare schemes for CAASL employees

The Staff Committee comprised the following Members of the CAASL

(1) Mr. Ananda Wimalasena (Chairman)

(2) Mr. Shashi Dhanatunge (Member)

(3) Mr. H. M. C. Nimalsiri (Member)

Audit & Management Committee

The Audit & Management Committee is responsible for the following matters:

- Determine of the responsibility of the Internal Audit Unit and review the annual audit plan
- Review and evaluate internal control systems for all activities of the entity
- Review performance at regular intervals to ensure cost effectiveness and to eliminate wasteful expenditure, etc.
- Liaise with External Auditors and follow up on Auditor General's management letters
- Ascertain whether statute, regulations, rules and circulars are complied with
- Review Financial Statements to ensure compliance with accounting standards
- Review internal audit/external audit reports, Management letters for remedial action
- Review implementation of recommendations/directives of the Committee on Public Enterprises
- Prepare report on the findings of the Committee for inclusion in the Annual Report
- Report on all audit matters to the Authority as and when requested to do so by the Authority

The Audit Committee comprised of the following members.

(1) Mr. Priyantha Rathnayake (Chairperson)

(2) Dr. Aminda Methsila Perera (Member)

(3) Mr. Suren Goonewardene (Member)

NGAP Sri Lanka Programme National Committee

- International Civil Aviation Organisation (ICAO) concepts on Next Generation of Aviation Professionals (NGAP).

It has been recognised by the international aviation community that there will be an anticipated shortage of skilled aviation professionals in the near future. In order to address this important issue, ICAO launched the Next Generation of Aviation Professionals (NGAP) initiative to ensure that more qualified and competent aviation professionals are available to operate, manage and maintain the future international air transport system.

The Government of Sri Lanka (GoSL) recognises the importance of a trained, qualified, experienced and skilled aviation workforce to steer the industry forward, safely and professionally. In this context, the GoSL will join hands with the ICAO in promoting Next Generation Aviation Professional (NGAP) Programme in Sri Lanka whereby future human resources are identified and appropriate training is provided.

Establishment of a national forum to communicate with and assist industry stakeholders in identifying their long-term human resources needs and establishing strategies to attract, educate, train and retain aviation professionals.

Assistance to industry by providing guidance and tools for engaging the next generation and promoting aviation amongst youth as a viable career.

The NGAP Sri Lanka Programme National Committee assists the NGAP Sri Lanka programme with its responsibilities for its mission, vision, objective and Master Action Plan.

National Committee – NGAP Sri Lanka Programme

The NGAP Sri Lanka Programme National Committee comprises the following officers:

Civil Aviation Authority of Sri Lanka

(1) Mr. H. M. C. Nimalsiri (President)

(2) Mr. Atula Jayawickrama (Vice President)

(3) Mr. Gimhan Dabarera (Secretary & NGAP National Coordinator)

(4) Mr. N. Navajeevan (Assistant Secretary)

(5) Mr. Rayhan Wanniappa (Consultant)

(6) Mr. K. M. M. N. Dassanayake (Head of Aviation Academic Development Committee)

(7) Ms. Chanika Mannawaduge (Head of Aviation Professional Development Committee)

(8) Mr. Prabhath Kularathna (Head of Aviation Awareness Committee)

Airport & Aviation Services (Sri Lanka) Ltd

(9) Mr. Devinda Abayagunawardana

(10) Mr. Thivanka Weerasinghe

SriLankan Airlines Ltd

(11) Mr. Anura Gallella

(12) Mr. Priyamal Jayasoriya

(13) Mr. Nuwan Hettiarachchi

Civil Aviation Development and Education Committee (CAD&EC)

The Civil Aviation Development and Education Committee was established in August 2010 for planning, development and implementation of special programmes aimed at enhancing public awareness in civil aviation activities. This Committee is headed by the DGCA and CEO and assisted by the Senior Director and Director (Corporate). It may contain members appointed from within employees of the CAASL, as and when nominated by the DGCA and approved by the Board.

Relations with Stakeholders

The Authority acknowledges its responsibility to keep in close and constant contact with stakeholders, in particular, to remain cognisant of the expectations of the Hon. Minister in charge of the subject of civil aviation.

Responsibility of the Authority and Senior Management

Key to the efficient functions of the Civil Aviation Authority is that there is clear demarcation between the role of the Authority and Senior Management headed by the CEO.

The Authority concentrates on setting high level polices and strategies, and then monitors progress towards meeting the objectives. It further provides directions on matters where specific provisions do not exist in its current policies, procedures or protocols.

The Senior Management headed by the Chief Executive is charged with the implementation of these high-level policies and strategies.

The Authority stands apart and does not have responsibility for the discharge of specific regulatory obligations cast specifically on the Director General of Civil Aviation in terms of the Civil Aviation Act No.14 of 2010, the Air Navigation Regulations made thereunder or any other written law.

However, the Authority will provide all necessary resources and assistance which include but are not limited to personnel, equipment, facilities and services that are required by the Director General of Civil Aviation to discharge the regulatory obligations and functions cast on him and that of the State.

The Authority clearly demonstrates those roles by ensuring that the delegation of powers and functions to the Director General of Civil Aviation and Chief Executive Officer of CAASL is concise and complete.

Accountability

The Authority and its Committees hold frequent meetings to monitor the progress towards its strategic objectives and to ensure that the affairs of the Civil Aviation Authority are being managed, conducted, accounted for and monitored in accordance with the Authority's policies, strategic directions, and expectations as set out its Corporate Plan.

Conflict of Interest

The Authority maintains an Interest Register and ensures that the Authority Members are aware of their obligations to declare interests. This approach is also reflected in the maintenance of a conflict of interest register for the Members of the Board and all employees of the CAA.

Quality & Internal Audit

While many of the Authority's functions and duties have been delegated, the overall final responsibility for maintaining effective systems of organisational control and supervision remains with the Authority.

Internal controls include the policy systems and procedures established to ensure that the specific objectives of the Authority are achieved. The Authority and the Senior Management have acknowledged their responsibility by signing the Statement of Responsibility, contained in this report.

The Authority has a Quality and Internal Audit Section that is responsible for detailed scrutiny and monitoring systems of internal control in each of the CAASL sections. The Quality and Internal Audit Section is responsible for maintenance of the quality of overall duties, functions and services rendered by the CAASL and reliability of financial and other information reported directly to the Chairman of the Authority and to the Audit and Management Committee as per the set protocols.

Internal Audit operates independently of the senior management and reports its findings directly to the Director General of the CAASL who is also the CEO of the CAASL and to the Audit and Management Committee as per the set protocols.

Legislative Compliance

The Authority acknowledges its responsibility to ensure that the organisation complies with all legislation. The Authority has delegated responsibility to the Senior Management for the development and operation of a programme to systematically identify compliance issues and ensures that all employees are aware of legislative requirements that are particularly relevant to them.

Th Authority decides on application of general or specific circulars and/ or directives issued by the Government organisations to the Authority on case-by-case basis. Hence each circular issued by a Government Department will not automatically be applied in the management of the CAASL unless the Authority examines as to the effect of such circular contents on effective functioning and discharge of the legitimate powers, functions and duties of the Authority and decides the nature and scope of such applications.

The Corporate Affairs and Economic Regulation Division of the CAASL is responsible for maintaining an updated list of concordance with regard to extent of application of Government Circulars to the functioning of the CAASL.

Ethics

The Authority, having developed a Code of Ethics, regularly monitors members of the staff to ensure they maintain high standards of ethical behaviour and practice the principles of 'good corporate governance'. Monitoring compliance with ethical standards is done through means such as monitoring trends in complaints and disciplinary actions, internal audit reports, or any reports or indications that show non-compliance with the principles contained in the Code of Ethics.

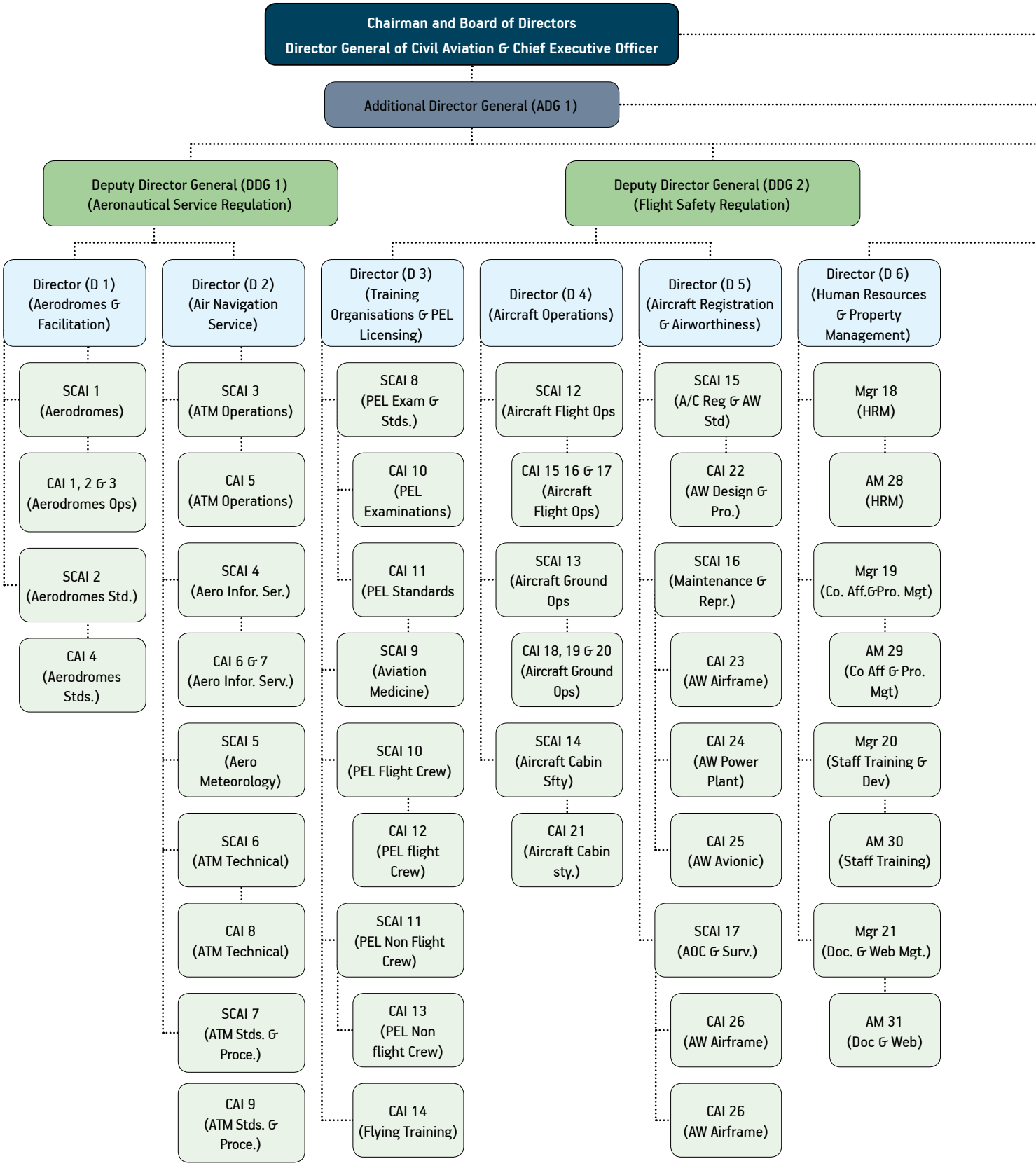
Good corporate citizenship involves the Authority, including its employees, acknowledging that it is a member of many communities outside of itself and the industry it oversees and making a commitment to act in a transparent, consistent, independent and responsible manner with the morals and accepted rights and responsibilities of all citizens of those communities.

Organisation Structure – Management Staff

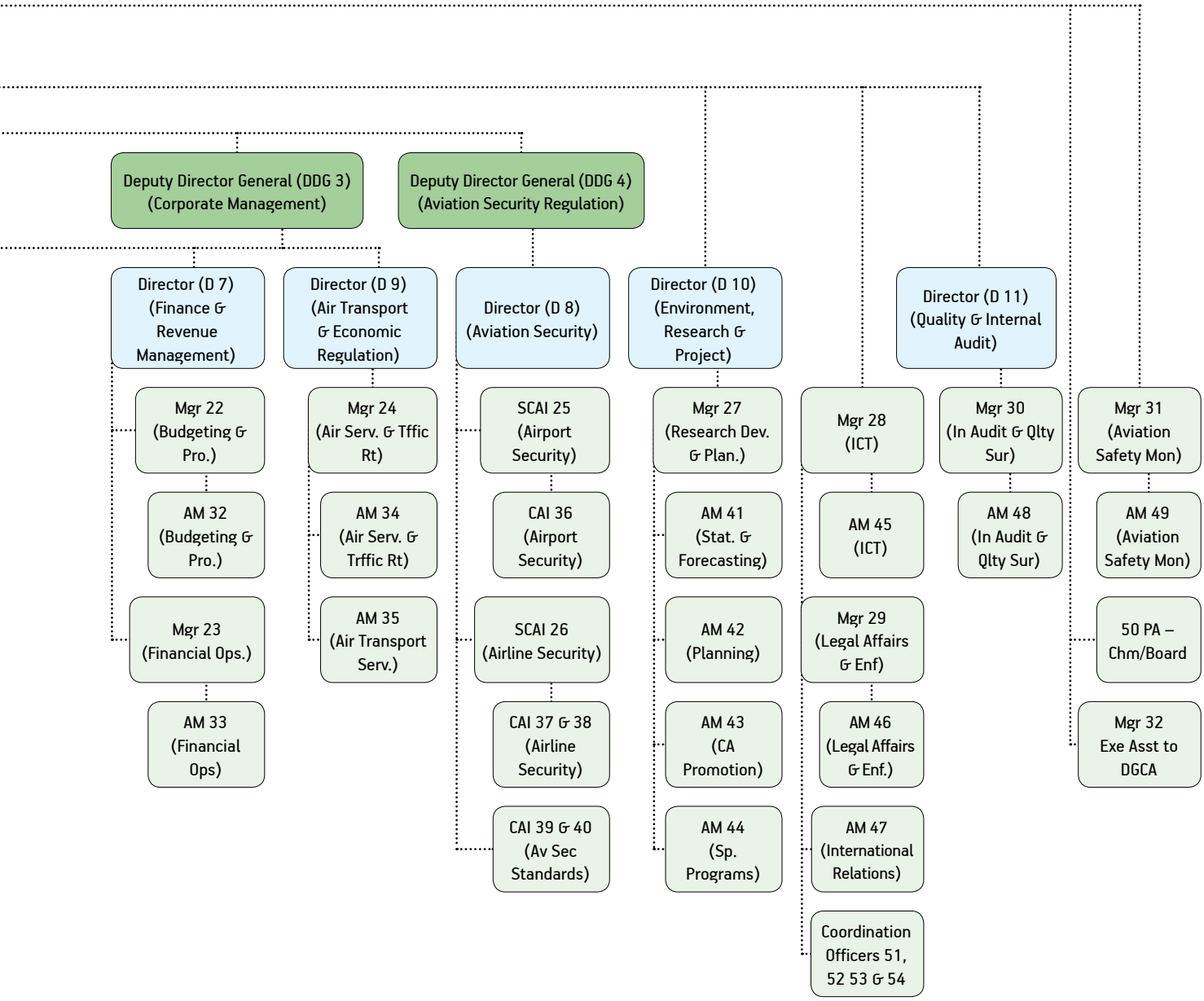
The Organisation Structure – Management Staff of the CAASL is as shown below. The abbreviations are enumerated at the beginning of this Report.


"SAFE AND EFFICIENT
SKIES FOR ALL"

CIVIL AVIATION AUTHORITY OF SRI LANKA OPERATIONAL ORGANISATION STRUCTURE – MANAGEMENT STAFF



CIVIL AVIATION AUTHORITY OF SRI LANKA OPERATIONAL ORGANISATION STRUCTURE – MANAGEMENT STAFF



Legends

SCAI – Senior Civil Aviation Inspector
Mgr. – Manager
CAI – Civil Aviation Inspector
AM – Assistant Manager

Rev 03 – 09/05/2019

	Legends	Os Code	Designation
1.			Director General of Civil Aviation
2.	ADG 01	OS1-HM22-ADG	Additional Director General
3.	DDG 01	OS2-HM21-DDG-1	Deputy Director General (Aeronautical Service Regulation)
4.	DDG 02	OS2-HM21-DDG2	Deputy Director General (Flight Safety Regulation)
5.	DDG 03	OS2-HM21-DDG3	Deputy Director General (Corporate Management)
6.	DDG 04	OS2-HM2-1-DDG4	Deputy Director General (Aviation Security Regulation)
7.	D 01	OS3-HM11-D2	Director (Aerodromes & Facilitation)
8.	D 02	OS3-HM11-D3	Director (Air Navigation Services)
9.	D 03	OS3-HM11-D10	Director (Training Organization and Personnel Licensing)
10.	D 04	OS3-HM11-D5	Director (Aircraft Operations)
11.	D 05	OS3-HM11-D6	Director (Aircraft Registration and Airworthiness)
12.	D 06	OS3-HM11-D8	Director (Human Resources and Property Management)
13.	D 07	OS3-HM11-D9	Director (Finance & Revenue Management)
14.	D 08	OS3-HM11-D1	Director (Aviation Security)
15.	D 09	OS3-HM11-D7	Director (Air Transport and Economic Regulation)
16.	D 10	OS3-HM11-D4	Director (Environment, Research & Projects)
17.	D 11	OS3-HM11-D11	Director (Quality and Internal Audit)
18.	SCAI 01	OS4-MM11-AD-1	Senior Civil Aviation Inspector (Aerodromes)
19.	SCAI 02	OS4-MM11-AD-2	Senior Civil Aviation Inspector (Aerodromes Standards)
20.	SCAI 03	OS4-MM11-AN-1	Senior Civil Aviation Inspector (Air Traffic Management- Operations)
21.	SCAI 04	OS4-MM11-AN-2	Senior Civil Aviation Inspector (Aeronautical Information Service)
22.	SCAI 05	OS4-MM11-AN-5	Senior Civil Aviation Inspector (Aeronautical Meteorology)
23.	SCAI 06	OS4-MM11-AN-3	Senior Civil Aviation Inspector (Air Traffic Management- Technical)
24.	SCAI 07	OS4-MM11-AN-4	Senior Civil Aviation Inspector (ATM & Standards and Procedures)
25.	SCAI 08	OS4-MM11-PL-1	Senior Civil Aviation Inspector (Personnel Licensing Examinations & Standards)
26.	SCAI 09	OS4-MM11-PL-2	Senior Civil Aviation Inspector (Aviation Medicine)
27.	SCAI 10	OS4-MM11-PL-3	Senior Civil Aviation Inspector (Personnel Licensing- Flight Crew)
28.	SCAI 11	OS4-MM11-PL-4	Senior Civil Aviation Inspector (Personnel Licensing- Non –Flight Crew)
29.	SCAI 12	OS4-MM11-OP-1	Senior Civil Aviation Inspector (Aircraft Flight Operations)
30.	SCAI 13	OS4-MM11-OP-2	Senior Civil Aviation Inspector (Aircraft Ground Operations)
31.	SCAI 14	OS4-MM11-OP-3	Senior Civil Aviation Inspector (Aircraft Cabin Safety)
32.	SCAI 15	OS4-MM11-AW-1	Senior Civil Aviation Inspector (Aircraft Registration and Airworthiness Standards)
33.	SCAI 16	OS4-MM11-AW-2	Senior Civil Aviation Inspector (Maintenance & Repair Organizations)
34.	SCAI 17	OS4-MM11-AW-3	Senior Civil Aviation Inspector (Air Operator Certification & Surveillance)
35.	Mgr 18	OS4-MM11-HR-1	Manager (Human Resources Management)
36.	Mgr 19	OS4-MM11-HR-2	Manager (Corporate Affairs and Property Management)
37.	Mgr 20	OS4-MM11-HR-3	Manager (Staff Training and Development)
38.	Mgr 21	OS4-MM11-FM-1	Manager (Budget and Programmes)
39.	Mgr 22	OS4-MM11-HR-5	Manager (Documents & Web Management)
40.	SCAI 23	OS4-MM11-FM-2	Manager (Financial Operations)
41.	SCAI 24	OS4-MM11-AS-1	Senior Civil Aviation Inspector (Airport Security)

	Legends	Os Code	Designation
42.	Mgr 25	OS4-MM11-AS-2	Senior Civil Aviation Inspector (Airline Security)
43.	Mgr 26	OS4-MM11-AT-1	Manager (Air Services and Traffic Rights)
44.	Mgr 27	OS4-MM11-SP-1	Manager (Research and Development Planning)
45.	Mgr 28	OS4-MM11-HR-4	Manager (Information & Communication Technology)
46.	Mgr 29	OS4-MM11-DM-2	Manager (Legal Affairs & Enforcement)
47.	Mgr 30	OS4-MM11-IA-1	Manager (Internal Audit and Quality Survey)
48.	Mgr 31	OS4-MM11-DM-1	Manager (Aviation Safety Monitoring)
49.	Mgr 32	OS4-MM 1-1-DM-2	Executive Assistant to DGCA
50.	CAI 01	OS5-MA5-3-AD-1 -1	Civil Aviation Inspector (Aerodrome Operations)
51.	CAI 02	OS5-MA5-3-AD-1-2	Civil Aviation Inspector (Aerodrome Operations)
52.	CAI 03	OS5-MA5-3-AD-1-3	Civil Aviation Inspector (Aerodrome Operations)
53.	CAI 04	OS5-MA5-3-AD-2	Civil Aviation Inspector (Aerodrome Standards)
54.	CAI 05	OS5-MA5-3-AN-1	Civil Aviation Inspector (Air Traffic Management – Operations)
55.	CAI 06	OS5-MA5-3-AN-2-1	Civil Aviation Inspector (Aeronautical Information Service)
56.	CAI 07	OS5-MA5-3-AN-2-2	Civil Aviation Inspector (Aeronautical Information Service)
57.	CAI 08	OS5-MA5-3-AN-3	Civil Aviation Inspector (Air Traffic Management – Technical)
58.	CAI 09	OS5-MA5-3-AN-4	Civil Aviation Inspector (ATM – Standards and Procedures)
59.	CAI 10	OS5-MA5-3-PL-1	Civil Aviation Inspector (Personnel Licensing Examinations)
60.	CAI 11	OS5-MA5-3-PL-2	Civil Aviation Inspector (Personnel Licensing Standards)
61.	CAI 12	OS5-MA5-3-PL-3	Civil Aviation Inspector (Personnel Licensing – Flight Crew)
62.	CAI 13	OS5-MA5-3-PL-5	Civil Aviation Inspector (Personnel Licensing – Non Flight Crew)
63.	CAI 14	OS5-MA5-3-PL-4	Civil Aviation Inspector (Flying Training)
64.	CAI 15	OS5-MA5-3-OP-1-1	Civil Aviation Inspector (Aircraft Flight Operations)
65.	CAI 16	OS5-MA5-3-OP-1-2	Civil Aviation Inspector (Aircraft Flight Operations)
66.	CAI 17	OS5-MA5-3-OP-1-3	Civil Aviation Inspector (Aircraft Flight Operations)
67.	CAI 18	OS5-MA5-3-OP-2-1	Civil Aviation Inspector (Aircraft Ground Operations)
68.	CAI 19	OS5-MA5-3-OP-2-2	Civil Aviation Inspector (Aircraft Ground Operations)
69.	CAI 20	OS5-MA5-3-OP-2-3	Civil Aviation Inspector (Aircraft Ground Operations)
70.	CAI 21	OS5-MA5-3-OP-3	Civil Aviation Inspector (Aircraft Cabin Safety)
71.	CAI 22	OS5-MA5-3-AW-4	Civil Aviation Inspector (Airworthiness – Design and Production)
72.	CAI 23	OS5-MA5-3-AW-1-1	Civil Aviation Inspector (Airworthiness – Airframe)
73.	CAI 24	OS5-MA5-3-AW-2-1	Civil Aviation Inspector (Airworthiness – Power Plant)
74.	CAI 25	OS5-MA5-3-AW-3	Civil Aviation Inspector (Airworthiness – Avionics)
75.	CAI 26	OS5-MA5-3-AW-1-2	Civil Aviation Inspector (Airworthiness – Airframe)
76.	CAI 27	OS5-MA5-3-AW-2-2	Civil Aviation Inspector (Airworthiness – Power Plant)
77.	AM 28	OS5-MA53-HR-1	Assistant Manager (Human Recourses Management)
78.	AM 29	OS5-MA53-HR-2	Assistant Manager (Corporate Affairs & Property Management)
79.	AM 30	OS5-MA53-HR-3	Assistant Manager (Training)
80.	AM 31	OS5-MA53-HR-5	Assistant Manager (Document and Web Management)
81.	AM 32	OS5-MA53-FM-1	Assistant Manager (Budget & Programme)
82.	AM 33	OS5-MA53-FM-1	Assistant Manager (Financial Operation)

	Legends	Os Code	Designation
83.	AM 34	OS5-MA53-AT-1	Assistant Manager (Air Services & Traffic Rights)
84.	AM 35	OS5-MA53-AT-3	Assistant Manager (Air Transport Services)
85.	CAI 36	OS5- MA53-AS-1	Civil Aviation Inspector (Airport Security)
86.	CAI 37	OS5-MA53-AS-2-1	Civil Aviation Inspector (Airline Security)
87.	CAI 38	OS5-MA53-AS-2-2	Civil Aviation Inspector (Airline Security)
88.	CAI 39	OS5-MA53-AS-3 - 1	Civil Aviation Inspector (Security Standards)
89.	CAI 40	OS5-MA53-AS-3 -2	Civil Aviation Inspector (Security Standards)
90.	AM 41	OS5-MA53-SP-2	Assistant Manager (Planning)
91.	AM 42	OS5-MA53-SP-3	Assistant Manager (Statistics & Forecasting)
92.	AM 43	OS6-JM11-SP-4	Assistant Manager (Civil Aviation Promotion)
93.	AM 44	OS5- MA53-SP-1	Assistant Manager (Special Programmes)
94.	AM 45	OS5-MA53-HR-4	Assistant Manager (Information and Communication Technology)
95.	AM 46	OS5-MA53-DM-2	Assistant Manager (Legal Affairs & Enforcement)
96.	AM 47	OS5-MA53-AT-2	Assistant Manager (International Relations)
97.	AM 48	OS5-MA53-IA-1	Assistant Manager (Internal Audit and Quality Survey)
98.	AM 49	OS5-MA53-DM-1	Assistant Manager (Aviation Safety Monitoring)
99.	JM 50	OS6-JM 1-1-DM-1	Personal Assistant to Chairman cum Board Secretary
100.	JM 51	OS6-JM11-DM-3-1	Coordination Officer
101.	JM 52	OS6-JM11-DM-3-2	Coordination Officer
102.	JM 53	OS6-JM11-DM-3-3	Coordination Officer
103.	JM 54	OS6-JM11-DM-3-4	Coordination Officer

CAASL Meetings

The Civil Aviation Authority of Sri Lanka held nine (09) Authority meetings during the period under review and passed resolutions for the progress and wellbeing of both the CAASL and the civil aviation industry that it regulates. The Staff Committee of the CAASL met three (03) times and Audit Committee of the CAASL met three (03) times during the period under review.

AVIATION SAFETY MONITORING UNIT

The regulations on Operation of Pilotless Aircraft Systems have been drafted and are being reviewed.

The Implementing Standard on SMS Framework was prepared to comply with the requirements stated in ICAO Annex 19 to the convention on Safety Management. The Implementing Standard – SLCAIS 006, on Aviation Occurrence reporting was reviewed with other technical sections and amendments were done.

A Direction on interior cleaning of aircraft was issued pursuant to the Section 121 of the Civil Aviation Act No. 14 of 2010, based on safety recommendations raised during an incident investigation by CAASL.

The necessary updates on Continued Monitoring Assessment in relation to Annex 13 and Annex 19 to the ICAO were done.

The National Aviation Safety Plan of Sri Lanka has been drafted as guided in the Global Aviation Safety Plan issued by ICAO and is being reviewed.

SLCAP 9999 on Aircraft Accident Investigation Procedures and SLCAP 2600 on State Safety Programme – Policy and Procedures manuals were reviewed.

There were 320 aviation occurrences reported in 2019 in respect of the aircraft registered in Sri Lanka and as well as foreign registered aircraft in their operations within the territory of Sri Lanka. Of this, 316 were on aircraft registered in Sri Lanka while the balance involved foreign registered aircraft occurring within the territory of Sri Lanka.

Of the occurrences, there were 106 bird strikes which accounted for the highest number of occurrences reported in one category. There were 79 ATM/communication related events and 63 system/component failures or malfunctions reported. Amongst reported bird strikes 60 occurred at Bandaranaike International Airport and three were at Colombo International Airport – Ratmalana.

Of the 79 ATM/communication occurrences, the majority of events were reported due to no contact with ATS units, with the highest number being 'No Contact' within Mumbai FIR.

Distribution of safety recommendations to the respective air operators and other organisations and follow up actions were carried out based on the final reports of the incident investigations done by other technical sections.

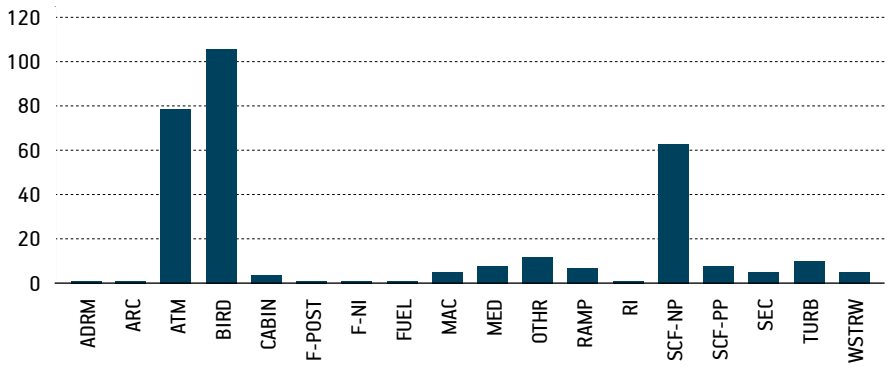
There was an incident notification from the Transport Safety Investigation Bureau (TSIB) of Singapore of a SriLankan Airlines aircraft A320 damaging runway edge lights while landing at Changi Airport, Singapore on 21st March 2019. There were two investigations by TSIB and CAASL. The Unit carried out necessary coordination between the two Regulators, Airbus and the air operator to complete both investigations.

There were 220 approvals issued for the operation of unmanned aerial vehicles (UAV) within the territory of Sri Lanka during 2019. The operation approvals mainly were for aerial filming, surveying, mapping, inspections, agricultural and industrial purposes. In addition, the approvals for the assembling and manufacturing of UAVs as specified in Implementing Standard – SLCAIS 053 were granted.

A programme on physical inspections of drones and issuance of Certificates of Registration was initiated and is in progress.

Trainings on SMS Train the Trainer, Enforcement Course and EU Regulatory Framework on UAV operations were obtained by the officers of the ASM Unit.

All Occurrences in Aircraft Registered in Sri Lanka and Foreign Registered Aircraft within the Territory of Sri Lanka – 2019



ADRM	: Aerodrome
ARC	: Abnormal Runway Contact
ATM	: ATM/CNS
BIRD	: Bird Strike
CABIN	: Cabin Safety Events
F-POST	: Fire/Smoke (Post-Impact)
F-NI	: Fire/Smoke (Non-Impact)
FUEL	: Fuel Related
MAC	: Airprox/ACAS Alert/Loss of Separation/(Near) Midair Collisions
MED	: Medical
OTHR	: Other
RAMP	: Ground Handling
RI	: Runway Incursion – Vehicle, Aircraft or Person
SCF-NP	: System/Component Failure or Malfunction
SCF-PP	: Power Plant Failure or Malfunction
SEC	: Security
TURB	: Turbulence Encounter
WSTRW	: Windshear or Thunderstorm

LEGAL AFFAIRS & ENFORCEMENT UNIT

The Legal Affairs & Enforcement (LA&E) Unit of the Civil Aviation Authority was established in May 2017 as per the new organisational structure introduced after the restructuring of the CAASL. The main objective of the LA & E unit is to streamline work relating to the legal and enforcement matters of the CAASL. The LA&E unit has been set up under the Direction and Management stream of the Authority to attend to all matters relating to legal and enforcement activities of the CAASL.

Key activities of the LA&E Unit can be introduced as follows:

- H-1-Update legal framework and regulatory framework on civil aviation
- H-2-Strengthning the CAASL enforcement policy and capacity
- H-3-Sectional capacity development
- H-4-Protection of the CAASL rights and interests
- H-5-General management of the unit

During the year 2019, the LA&E Unit was able to accomplish its work as mentioned below, according to the annual work programme of 2019.

- Enactment of Accident and Incident Investigation Bureau Bill –
  Cabinet approval has been taken to present the draft Bill in Parliament subject to several amendments.
- Enactment of the Beijing Convention on the Suppression of unlawful acts relating to the International Civil Aviation and associated supplementary Protocols –
  First draft legislation was received from the Legal Draftsman's Department and CAA has forwarded observations for the draft
- Enactment of the Cape Town Convention and related Protocols –
  First draft legislation was received from the Legal Draftsman's Department and CAA has forwarded observations for the draft
- Promulgation of Water Aerodrome Regulation –
  Final draft Regulation in all three languages was received from the Legal Draftsman's Department and our observations on the same was forwarded to them
- Promulgation of Aerodrome Classification Regulation –
  Approval of Parliament was received for the gazetted Regulations.
- Promulgation of Aeronautical Service Provider Licensing Regulation –
  Forwarding the observations/preparing of schedules of the CAA on the final draft Regulation is pending
- Promulgation of Aircraft Registration and Common Marks Regulation
  Our observations for the final draft Regulation was forwarded to the Legal Draftsman's Department and translations are pending
- Promulgation of Carriage of Dangerous Goods by Air Regulation –
  Our observations for the final draft Regulation was forwarded to the Legal Draftsman's Department and translations are pending
- Strengthening the CAASL Enforcement Policy and capacity –
  Draft Regulation was prepared and forwarded for observations/comments of the technical sections of the CAA and awaiting their comments

During this year, LA&E Unit made twenty two (22) appearances for four (4) cases with the assistance of the officers of the Attorney General's Department, which include one (1) Supreme Court case and three (3) Labour Tribunal cases filed against the CAASL. Out of these cases, one (1) Labour Tribunal case was concluded. For these cases, we have prepared eleven (11) legal documents to be submitted in the Court of Law. Further, LA&E Unit participated in nineteen (19) consultations at the Attorney General's Department and Legal Draftsman's Department for the above cases and for the promulgation of aviation regulations.

By handling legal matters of the CAASL, LA&E Unit was able to give legal advice/legal opinion for the senior management of the CAASL during the year as below:

Drafting Agreements/MOUs	02
Reviewing Agreements/MOUs	15
Giving legal opinion	22

INFORMATION COMMUNICATION & TECHNOLOGY (ICT) UNIT

The Information and Communication Technology (ICT) Unit has two basic functions. First is managing the information technology infrastructure to provide IT services, which requires:

- Managing and protecting information technology
- Managing and protecting data resources
- Managing and protecting system applications

The Second basic function is developing and adapting information systems and IT infrastructure.

The ICT Unit developed applications that serve its core business needs in CAASL. The right applications allow operations and process to be innovative, more productive, efficient, and to move ahead of its competitors. In many ways, this makes the ICT unit crucial in driving services forward. Accordingly, the ICT unit completed the following projects in 2019.

(1) Online Drones Registration System

(2) PEL system update completed because of out of service by UCSC

(3) Safety data management system – FS001 form automated

(4) Computerised Efficiency Bar examination System

(5) New cloud based email system implementation (Google G-Suite)

IT Development Project – Ongoing

(1) Human Resource Management System (HRIS)

(2) Official website revamp

(3) Server virtualisations

(4) Automated conference hall management system

(5) Personnel licensing system revamp

Technical Evaluations Completed

Equipment Name	Received	Completed
Desktop Computers	2	2
Laptop Computers	6	6
FAX	2	2
Photocopy	7	7
Printers	6	5
Scanners	3	3
UPS	2	2

The ICT Unit provides service for all users who need access to the CAASL's computer systems. This might entail installing new software or hardware, repairing hardware that has become faulty, training employees in the use of new software, and troubleshooting problems with the system or with an individual's computer. In 2019 the ICT unit conducted the following help desk support to CAASL's employees.

	Received	Resolved
Password Forget	79	79
Computer Format	35	35
Printer Service	73	73
Computer Network Problem	920	920
Printing Problem	51	51
Finance System Update	49	49
Server Restart	24	24
Server Software Down	3	3
Email Issues on Server	1	1
Email Issues on Clients	781	781
New Software Installations	341	341
Conference Halls	17	17
Laptop Failures	38	38
Desktop Computer Failures	37	37
Network Failures (Switch)	2	2
PEL System Update	5	5
Software Support	1,448	1,448
Total		3,904

New IT Equipment Purchased

Equipment Name	Qty.
Laptop	19
Desktop Computers	24
Printers	6
Photocopiers	3
ISP Connections	2
UPS	5
FAX	2

Pending Projects

(1) Online payment system SSL certification

(2) Public WiFi introduced to ground floor lobby

(3) Update ITC Policy

(4) Draft proposal for IT equipment service and maintenance

(5) Draft proposal for depreciating IT equipment

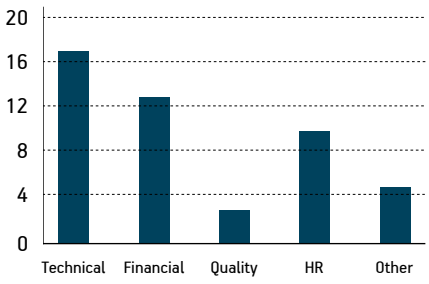
QUALITY AND INTERNAL AUDIT SECTION

The main objective of the Quality and Internal Audit Section is to enhance the quality management of the CAA. The internal audit process provides an assurance on the organisation's risk management, internal control environment and governance framework through review and appraisal of the extent of compliance with relevant statutory requirements. The Quality and Internal Audit Section has further taken necessary steps to ensure the integrity of the CAASL's accounting and financial reporting system and effectiveness of the internal control systems by reviewing and monitoring of such systems on a periodic basis.

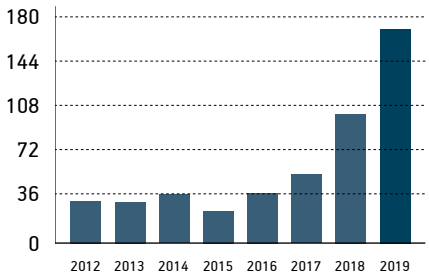
In addition to post audits, the section carried out pre audits on encashment of un-availed leave and staff loans. During the year 2019, 122 audits were carried out including 74 pre audits and there were 171 audit observations.

Section Highlights

Number of post audits carried out during the Year 2019



Number of audits carried out from year 2012 to Year 2019



Special Achievement

The Quality and Internal Audit Section's g-suite dashboard was selected as the best dashboard having good content, valuable information, comprehensive presentation style and being attractive in terms of the evaluation of intranet/ongoing work under the annual work plan using g-suite dashboards of the Civil Aviation Authority.

Number of Audits Conducted and Observation

Year	2019	2018
Audits conducted	122	103
No. of observations	171	143

ENVIRONMENT, RESEARCH & PROJECTS SECTION

Establishment of a National Air Transport Statistical Programme

ER&P section maintains the National Air Transport Statistical Programme, which encompasses the Air Transport Statistical Programme and CAASL Statistical Programme. This statistics programme involves the collection, compilation, interpretation, enumeration and presentation of data through the application of various tools and techniques.

Development & Maintenance of CAASL Statistical Programme

The CAASL Statistical Programme is for collecting monthly work performance statistics from each section in the organisation. The key objective of this sub activity was to maintain a CAASL sectional database with the intention of providing statistics to the line ministry and the CAASL reports as and when required. Following sub activities were planned under this activity and all were completed.

(1) Prepare the monthly statistics of ER&P Section

(2) Collect the monthly Statistics from Other Sections

(3) Update the CAASL Master Data Base

(4) Prepare and submit the monthly statistics report for CAASL Board

(5) Prepare and submit the monthly statistics report for Line Ministry

Development & Maintenance of the Air Transport Statistical Programme

The Air Transport Statistical Programme is composed of statistics of international airlines/airports, domestic airlines/airports, aircraft registry, fuel consumption, licensed personnel and training organisations. Collected statistics are processed and disseminated to ICAO and other public/private organisations as and when required. Likewise, this programme facilitates the reports compiled by the section in order to fulfill the requests of public organisations. Moreover, selected statistics are displayed in the CAASL website intended for public reference and also in the intranet for the reference of the CAASL staff.

Below are some of the main objectives of this programme:

- Maintaining an air transport master database
- Displaying graphical view of statistics through the dashboards in CAASL website/intranet
- Provision of air transport statistics to ICAO

The Following activities were completed under this programme:

(1) Coordinate with International/Domestic Airlines, International/Domestic Airports and CAASL for collecting statistics

(2) Collect the Air Transport Statistics from International/Domestic Airlines, International/Domestic Airports and CAASL

(3) Update the Air Transport Master Data Base

(4) Preparation of monthly analyses for Air Transport Statistics

(5) Publish monthly statistical reports in the CAASL website

(6) Preparation of ICAO Reporting Forms

(7) Submitting ICAO Reporting Forms to the ICAO on monthly/quarterly/annually basis

Prepare the Progress Report of Project & Programme against the Action Plan of CAASL

The Progress Report is prepared using the collected statistics from each section of CAASL on month/quarter/annual basis. Providing performance of the sectional work to the line ministry is the main objective of this task. The below Sub

activities carried out accordingly:

(1) Obtain relevant statistics from Master Data Base

(2) Obtained Financial Statistics from R&FM Section

(3) Prepared cumulative monthly budget/ expenditure report

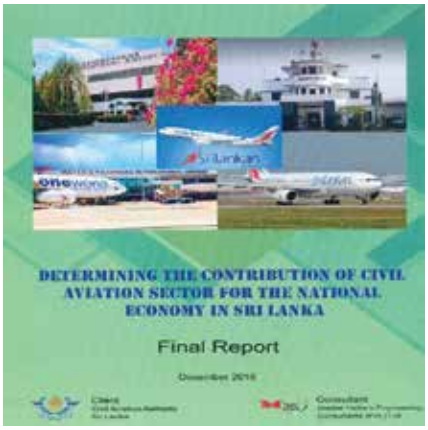
(4) Prepare the Monthly Progress Report

(5) Submit the Progress Report to the Line Ministry

Research Development & Planning in relation to Civil Aviation

Research on the contribution of Civil Aviation Sector to the National Economy in Sri Lanka

The CAASL is entrusted to 'initiate and carry out surveys on any aspects of civil aviation' which has been specified under the duties and functions of the Authority in the CAASL Act No. 34 of 2002. In line with such obligations, the strategic direction of the CAASL, 'Research & Surveys' in relation to civil aviation is considered a key activity of the Authority. In this regard, the Authority has commenced conducting research on the topic of 'Determining the Contribution of Civil Aviation Sector for the National Economy in Sri Lanka'.



Accordingly, CAASL carried out this research and obtained the results through a comprehensive study. Master Hellie's Engineering Consultants was selected to carry out the research after following the procurement process. The consultants conducted the research and submitted the inception report, interim report, draft final report and final report which were accepted by the CAASL. At present, there is a figure about the contribution of civil aviation sector to the national economy first time in the history.

The Board of Directors provided instructions to conduct research on "King Ravana and the lost heritage of aviation dominance". This research has started and a panel discussion was conducted with the experts in the field on 31st of July 2019. Ven. Manawe Wimalarathana Thero, Prof. Raj Somadewa, Prof. Jinadasa Katupotha and Mr. Gayan Sandakelum were among the invited experts. They presented their valuable inputs regarding King Ravana and aviation. All the CAASL staff and selected visitors from the general public attended the discussion. It was decided to form two committees, Steering Committee and Task Force. The committees were appointed and research is being conducted.

Civil Aviation Promotion

Civil Aviation Authority promotional works were carried out under the Environment Research Development and Project Section. During the year, CAASL carried out a lot of work to improve the image of the authority and raise awareness of our services. Promotional work was carried out under various categories.

(1) Aviation Awareness programmes – Schools

(2) Aviation awareness programmes – Airports

(3) Educational exhibitions

(4) Publishing of "Guwansara" aviation magazines

(5) "Guwan Sarisara" TV programmes

(6) Media releases and publicities

(7) Media promotions

Aviation Awareness Programmes – School Programmes

CAASL carried out several school awareness programmes on the aviation industry, in collaboration with SriLankan Airlines and AASL. Advanced Level schools in the country were selected for this event and six (06) school awareness programmes were conducted.

Date	Venue	Participation
5th April 2019	Sri Jayawardhanapura Balika Vidyalaya	100 Students
28th July 2019	Sri Sangabodhi College – Nittambuwa	120 Students
11th September 2019	Sumedha College – Gampaha	300 Students (05 Schools)
7th October 2019	St. Thomas College – Bandarawela	332 Students (06 Schools)
18th October 2019	Good Shepherd Convent – Kotahena	120 Students (02 Schools)
4th Nov 2019	Jaffna Hindu College – Jaffna	375 Students (23 Schools)

Aviation Awareness Programmes – Airport Programmes

CAASL has been conducting awareness programmes at the airport to share knowledge with children about the aviation industry. CAASL selected the schools and conducted the awareness programmes at the airport in collaboration with SriLankan Airlines, Airport & Aviation (Sri Lanka) Limited and Sri Lankan Catering Services. CAASL has conducted eight school awareness programmes to date as follows.

Date	Venue	Participations	Remarks
13th March 2019	MRIA	250 Students (13 Schools)	Celebration of 6th Anniversary of MRIA 2 Programmes
11th July 2019	BIA/CAASL	213 Students	Wayamba University of Sri Lanka 2 Programmes
01st October 2019	BIA/CAASL	150 Students	Celebration of International Children's Day 2 Programmes
17th December 2019	BIA/CAASL	136 Students	Celebration of Wright Brothers Day 2 Programmes

Educational Exhibitions

In this task, CAASL organised educational exhibitions for the public and school children to provide knowledge about the aviation industry. CAASL was able to share knowledge about the aviation industry with those interested in aviation by conducting the following educational exhibitions:

Date	Venue	Participation
2nd-7th March 2019	SLAF Base – Higurakhoda	Public
4th-5th April 2019	Sri Jayawardenepura Balika – Vidyalaya	School Children
28th July 2019	Sri Sangabodhi Collage – Nittambuwa	School Children

Publishing of "Guwansara" Aviation Magazine

The ERGP Section published the Guwansara magazine to deliver knowledge regarding the aviation industry. Magazines were published and delivered to a majority of schools in the country. Generally, the Guwansara magazine is published quarterly and during the year, CAASL published three Guwansara magazines as follows:

Date	Edition
25th June 2019	19th Edition
05th November 2019	20th Edition
30th December 2019	21st Edition

Guwan Sarisara TV Programmes

Guwan Sarisara is a TV programme providing knowledge about the aviation industry in Sri Lanka it is an externally sponsored programme conducted by the CAASL Promotional Unit and telecast weekly. Accordingly, during the year, 20 Guwan Sarisara TV programmes were telecasted.

Date	Episode
12th January 2019	Episode 33
19th January 2019	Episode 34
26th January 2019	Episode 35
2nd February 2019	Episode 36
9th February 2019	Episode 37
16th February 2019	Episode 38
23rd February 2019	Episode 39
2nd March 2019	Episode 40
6th April 2019	Episode 41
20th April 2019	Episode 42
27th April 2019	Episode 43
11th May 2019	Episode 44
25th May 2019	Episode 45
08th June 2019	Episode 46
15th June 2019	Episode 47
22nd June 2019	Episode 48
29th June 2019	Episode 49
6th July 2019	Episode 50
13th July 2019	Episode 51
20th July 2019	Episode 52

Media Releases and Publicity

Press articles were sent to all media stations and media coverage was provided for the important events of the aviation industry during the year.

(1) Media coverage of Jaffna International Airport opening ceremony

(2) Rathmalana Airport development

(3) Press articles of the DGCA regarding Palali Airport

(4) Commencement of international flight operations from Jaffna to Chennai

(5) Promoting new air routes – Salam Air, Vistara Airlines

(6) Press article regarding International Children's Day celebrations

(7) Press article regarding the awareness programme of Jaffna Hindu College

New Media Promotions

As the most important and powerful platform for disseminating information about the aviation industry the Media Unit has initiated CAASL official pages on Facebook, Instagram and Twitter. Through these platforms CAASL will be able to connect with people, worldwide countries, airlines, organisations etc. During the year, the Media Unit engaged new media accurately for CAASL promotions.

Publication of CAASL Documents, Reports and Bulletins

Corporate Plan 2019-2021

The draft Report of Corporate Plan 2019-2021 has been prepared and forwarded to obtain the relevant DGCA's approval in the month of January 2019. As per the DGCA's instructions the RDP&SP Section conducted a One Day Management Outdoor Workshop at the CAASL Sub Office MRIA (Mattala Rajapaksha International Airport) on 02nd February 2019. Accordingly, the RDP&SP Section finalised the preparation of the Corporate Plan 2019-2021 considering the outcomes of the Management Outdoor Workshop. The RDP&SP Section obtained relevant authority approval and completed the development of the Corporate Plan 2019-2021 at the end of February 2019. The final version of the Corporate Plan 2019-2021 was submitted to the Ministry of Transport & Civil Aviation for publishing and presenting to Parliament.

Annual Outdoor Management Workshop on Corporate Plan 2019-2021

Annual Report 2018

The preparation of the Annual Report 2018 has been completed on time by the RDP&SP Section. Accordingly, the relevant documents have been submitted to the Ministry of Transport and Civil Aviation to obtain Cabinet approval for presenting to Parliament.

Physical and Financial Progress Reports, Committee Stage Budget Reports and Project Development Reports were submitted to the Line Ministry. The Central Bank Reports and other requested reports by external agencies were also submitted before the deadlines.

Other Reports

Monthly and Quarterly Progress Reports, Yearly and Half Yearly Committee Stage Budget Performance Reports, Central Bank Reports and other reports were submitted to the Line Ministry and other external agencies before the due dates.

Annual Outdoor Training Workshop 2019

The Civil Aviation Authority of Sri Lanka has been conducting its annual outdoor training workshop for its all staff including both Executive and Non-Executive. This is the only common training workshop which has been organised for all staff of CAASL with the objective of building an effective and efficient team by addressing training and capacity building requirements which are common for all.

Although the CAASL offers its employees a number of opportunities to develop their career knowledge and skills through individual training, the opportunity for them to be trained as a team is somewhat limited.

One of the primary objectives of the outdoor workshop is for the vertical and horizontal integration of employees at different layers of the organisation, aimed at building up a strong team with a good understanding of talents and potential of each other.

Accordingly, the Annual Outdoor Training Workshop 2019 was held at Mahaweli Reach Hotel, Kandy from 06th to 09th September 2019.

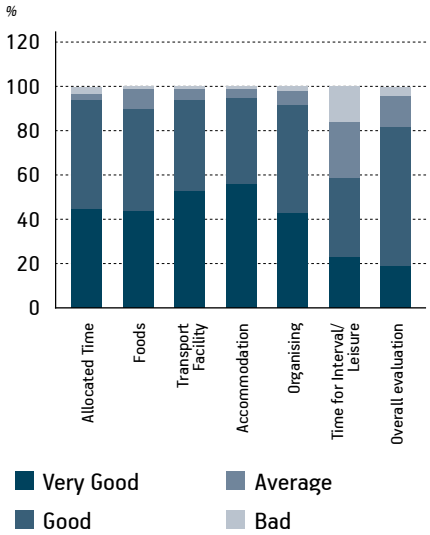
Annual Outdoor Training Workshop 2019

Out of the total number of 186 employees, One hundred and fifty two (152) employees of CAASL participated in the training workshop, accounting for 82% of staff participation.

Overall Evaluation of the Annual Outdoor Training Workshop Programme

The summary of overall evaluation analysed based on the questionnaire developed by the Research Development Planning and Special Programme Section and the overall evaluation is as follows. The evaluation was done based on key areas concerned such as allocated time for workshop, food, accommodation, organising of the event, time for leisure/ interval. Accordingly, more than 82% of staff giving their output feedback rated it as "very good or good".

Overall Evaluation of the AOTWS year 2019



Undertake CAASL Infrastructure Development and Special Projects

Construction of Circuit Bungalow for CAASL at Batticaloa Airport Premises

The Batticaloa Airport has been vested in the Civil Aviation Authority of Sri Lanka and CAASL has been instructed to make arrangement to operate the airport as a civil airport. Consequently CAASL Inspectors from all relevant technical sections will be required to visit Batticaloa Airport for regulatory functions either on full-time or part-time basis, based on the operational and/or technical requirements.

Since the facility is far away from the CAASL Head Office at Katunayake, it is not possible for the CAASL to provide its regulatory supervision for this airport from there. In this scenario, CAASL needed construction of a Circuit Bungalow near the airport premises to facilitate the CAASL's regulatory and surveillance activities in order to ensure that the airport would be operated in conformity with the applicable international standards and recommended practices.

The Circuit Bungalow building is located in the Batticaloa Airport premises on an area of approximately five hectares.

The Circuit Bungalow is a two-storeyed building consisting of four units and a service building.

Consultancy Service for Preparation of Environmental Impact Assessment (EIA) and Feasibility Reports for Proposed Domestic Airport at Bandarawela

The National Budget – 2016 approved by Parliament contained a proposal for the construction of Domestic Airports in Badulla and Puttalam Districts and Digana. Accordingly, under the direction of the Ministry of Transport and Civil Aviation, the Civil Aviation Authority of Sri Lanka (CAASL) conducted a pre-feasibility study for identification of a suitable site for construction of an airport in Badulla District.

After a detailed study, the CAASL has identified land at Mahaulpothawatta located 3.5 Km along the Poonagala Road, Bandarawela for construction of a Domestic Airport which can accommodate medium size aircraft carrying 50-60 passengers. The pre-feasibility report was submitted for the approval of the Cabinet of Ministers' and it has been decided that a comprehensive study should be done addressing concerns relating to economic, social, financial, archeological, environmental and technological aspects.

Accordingly, the Environmental Impact Assessment (EIA) for the project has been initiated and CAASL called for "Expressions of Interest" (EOI) from eligible consultants for conducting the feasibility study through a newspaper advertisement on 21 July 2019. The evaluation process is being conducted.

Opening of the CAASL Circuit Bungalow at Batticaloa

The CAASL Circuit Bungalow constructed at Batticaloa Airport premises has been commissioned to operate from 11th November 2019.

Environment, Research & Projects Section contributed in arranging the Administrative/Logistics required for following meeting/trainings:

Name of the Training	Duration	No. of Participants
SMS Train the Trainee Programme	25th February to 01st March 2019	08
Simulator Evaluation Training with OJT	01-05 April 2019	14
Air Crew Regulation Workshop	2nd SARI EASA – CAASL Aircrew Regulation Development Workshop (RDW) 23-26 July 2019	08
SMS/SSP Seminar	31st July 2019	30
Aviation Security Training	NCASQCP Workshop – 14-18 October 2019	26
	National Inspector's Course 21-29 October 2019	22
Environment Matters in Aviation	26-28 November 2019	26
Enforcement Course	16-20 December 2019	26

Implement the ICAO Annex 16 (Part IV)

Fuel consumption data was collected from the national and domestic carriers. An emission monitoring plan was submitted by SriLankan Airlines and approved by the DGCA.

Informed the National Carrier to select a suitable verifier to verify the emission report according to the Implementing Standard (IS) 098 issued by CAASL.

Next Generation of Aviation Professionals (NGAP) Sri Lanka Programme

CAASL participated in the first meeting of the ICAO NGAP Task Force held at the Headquarters of the International Civil Aviation Organisation (ICAO) in Montreal, Canada during 18-22 February 2019.

CAASL presented the results of the extended programme included in the Next Generation of Aviation Professionals Programme, which was the first-ever introduction of the type to the world representing the Civil Aviation Authority of Sri Lanka. We also proposed that it is appropriate to implement such a programme in every country for the advancement of this field. The ICAO NGAP Task Force has decided to implement the proposal.

Discussions were conducted at this meeting on connecting the next generation of aviation professionals and retaining them in the field through conducting awareness programmes.

Discussions were held on planning a Global Strategic Plan for NGAP on a short term and long term basis and it was further discussed to develop and implement the NGAP Strategic Plans at country and regional levels and to develop plans to provide proper methodologies and guidance required by the countries. Teams were appointed for that purpose and action has been taken to continue online meetings and discussions of this task force. The second major meeting of the task force has been scheduled for 2020.

AERODROMES AND FACILITATION SECTION

The Aerodromes and Facilitation (AGF) Section of CAASL is responsible for ensuring regulatory requirements pertaining to aerodromes as stipulated by the ICAO Annex 14 which is nationally implemented through Implementing Standard (IS) 30, 41, and 37. The section is empowered to carry out duties through the relevant sections of the Civil Aviation Act. The section is further entrusted to oversee implementation of facilitation requirements at international airports as per Annex 09 published by ICAO.

Not limited to the above duties, the section is further involved in providing technical and regulatory guidance for developing aerodromes as identified by the Government in order to develop civil aviation in Sri Lanka and facilitate air travel for the general public. Particularly in the year 2019 the section was fully committed to developing the Jaffna Airport for international operations. Not restricted to only regulatory obligation, which is to conduct certification audit but ensure as a mediator role on the behalf of CAASL that all stakeholders involvement in order, to accomplish the project successfully on time.

The section initiated the drafting of Water Aerodrome Certification/Approval and Surveillance Regulations. The second draft of the regulations has been submitted to the legal draftsman for observations.

The Domestic Aerodrome Licensing/ Certification Regulations commenced in 2019.

Annex 14 Vol. I and Annex14 Vol. II revision have been published for local implementation as Implementing Standard (IS) 30 and IS 41.

The Draft National Air Transportation Facilitation Plan (NATFP) and Terms of Reference (TOR) for the establishment and operation of the National Air Transportation Facilitation Committee (NATFC) were reviewed with a view of establishing the NATFC and acceptance of NATFP by all stakeholders.

The zoning regulation for BIA was published in 1975. Some aspects of this regulation are now outdated and to ensure compatibility with Implementing Standard (IS) 30 which is revised by the new edition, the regulation is in process of being revised.

As part of certification activities, the aerodrome certification renewal audit was conducted for Mattala Rajapaksa International Airport (MRIA) to renew its certification and the Corrective Action Plan was received from the aerodrome operator. On acceptance of the Corrective Action Plan, AASL has been granted the aerodrome certification to continue with MRIA operations.

An aerodrome license renewal audit was conducted for Batticaloa Airport in April 2019.

An aerodrome audit was conducted at Jaffna International Aerodrome and after accepting the corrective action plan submitted by the aerodrome operator, an aerodrome certificate was awarded with special conditions to AASL to conduct operations at Jaffna International Airport.

To ensure new developments at airports to comply with the standards specified in Implementing Standard (IS) 30 and to ensure safety management requirements the AGF section approved and conducted the following Aerodrome Operators Programmes:

- Construction of Apron-E and connecting taxiways at BIA
- Maintenance of runway and taxiway lights at BIA
- Installation of runway lights at RMA
- Bird controlling officers at MRIA were provided with training on wildlife management and the adherence to wildlife management programme.
- Provided necessary support, technical and regulatory guidance in construction of runway, taxiway, apron, etc. to ensure compliance for safe aircraft operations at JIA.
- Provided necessary guidance in establishing facilitation (Customs, Immigration and Quarantine) at JIA.
- The Terms of Reference was developed by the section subsequent to its Senior Inspector attending a seminar on the same project and being a member of the APAC regional office initiated a subcommittee on wildlife hazard management – developing a guideline and checklist.

Continued surveillance of aerodromes was carried out as per the surveillance plan 2019, at Bandaranaike International Airport, Mattala Rajapaksa International Airport, Jaffna International Airport, Ratmalana Airport and Batticaloa Airport in order to ensure that the airports operate at acceptable levels of safety.

Surveillance of water aerodromes was conducted to ensure the safety aspects of the water aerodromes are maintained at acceptable levels.

A&F section approved 383 height clearances for buildings, structures and telecommunication towers in the year 2019 to ensure the safeguarding of obstacle limitation surfaces around the airports, for safe aircraft operations.

Jaffna Airport (JIA), Batticaloa Airport and Ratmalana Airport were gazetted as international airports.

A&F section provided necessary assistance in arranging payments approved for the JIA development project by the Project Procurement Approval Committee established for the JIA development project.

An Environmental Impact Assessment and a feasibility study is being carried out for the site selected to establish a domestic aerodrome in Bandarawela.

AIR NAVIGATION SERVICE SECTION

The primary responsibility of the Air Navigation Services Section is to formulate rules and regulations governing the provision of air navigation services within Colombo FIR in accordance with the applicable international standards and recommended practices adopted by International Civil Aviation Organisation (ICAO) and to ensure that those standards are compiled with by the air navigation service provider in Sri Lanka.

Surveillance Activities

The section continuously conducted surveillance on the industry as per the "ANS Surveillance Plan 2019" approved by the Director General of Civil Aviation (DGCA). Ninety four (94) out of one hundred and one (101) scheduled Inspections were carried-out on the following Operational Centres to ensure the effectiveness of the Safety Oversight System in the provision of air navigation services in Sri Lanka.

- ATS Operational Centres at Bandaranaike International Airport (VCBI), Mattala Rajapaksa International Airport (VCRI), Colombo Airport – Ratmalana (VCCC) and Batticaloa Airport (VCCB)
- Search and Rescue (SAR) Centre at VCCC
- Aeronautical Information Services (AIS) Centres at VCBI and VCCC
- Maps and Charts Unit at VCBI
- Communication Navigation and Surveillance (CNS) Centres at Attidiya, Pidurutalagala, Kandapola, VCCB, VCBI and VCRI
- Procedure Design (PANS-OPS) unit at VCBI
- Meteorology (MET) Centres at VCCC, VCRI and VCBI

Five scheduled MET inspections at VCBI, VCRI and VCCC were not carried out due to non-availability of MET Inspector, one scheduled AIS inspection at VCBI was not carried out due to non-availability of AIS/ Airport & Aviation Services (SL) Ltd. (AASL) staff (AIM Training) and one scheduled PANS-OPS inspection was not carried out and efforts are underway to obtain the services of the PANS-OPS Inspector Mr. Fazal of Pakistan CAA as his contract with COSCAP-SA has elapsed and is expected to be renewed.

ATC Simulator Tests and Rating Assessments

ANS Section conducted twenty four (24) ATC simulator tests and sixteen (16) Rating Assessments on Air Traffic Controllers to ensure improved and consistent proficiency in the provision of Air Traffic Control service.

Language Proficiency and Radio Telephony Procedure Tests

ANS Section collaborated with the Training Organisation and Personnel Licensing (PEL) Section in conducting English Language Proficiency Checks (ELPC) and also represented the examination panel for Radio Telephony examinations conducted on pilots of private flying schools for Commercial Pilot License (CPL) and Private Pilot License (PPL). Accordingly, forty six (46) Radio Telephony tests and six (6) English Language Proficiency Checks were conducted.

Investigations

The Section conducted investigations on the Mandatory Occurrence Reports (MORs) mainly on communication interruptions in Mumbai FIR received from airlines and liaised with Indian counterparts for remedial actions to avoid recurrence.

Conducted investigations on Air Traffic Management related incidents to ensure mitigation actions are in place to minimise their recurrence.

Flight Permits/Landing Clearance

Granting of approval for non-scheduled tech-stops/non-commercial landing flights and overflights were carried out efficiently. Approval for aerial work operations was also granted, subject to additional approval from other associated agencies such as the Ministry of Defence, (MOD) and Sri Lanka

Air Force (SLAF), etc., depending on the location of intended operation. Accordingly, the ANS Section granted approval for 1,283 nonscheduled aircrafts to fly over Sri Lankan territory and 1,170 permissions to land in Sri Lanka.

Coordinated with the Ministry of Foreign Affairs in respect of operation of diplomatic flights in to the airports of Sri Lanka and those flights which proposed to fly over Sri Lankan Territory. Accordingly, one hundred and sixty eight (168) no-objection/consent notes to diplomatic landing flights and seventy seven (77) no-objection/consent notes to diplomatic aircraft to fly over Sri Lankan territory were granted. Furthermore, approvals were granted for ninety nine (99) aerial photography/advertisement flights.

ANS Training

In order to ensure the development of adequately trained staff to perform ANS-related regulatory tasks, the officials of the section were exposed to training related to the subject matter, strengthening their professional competencies and expanding their knowledge horizons. Accordingly, Senior Civil Aviation Inspector – ATMOPS/ATMTECH and ATMSP underwent indoctrination training. Civil Aviation Inspector – AIS participated in a workshop on Transition AIS to AIM. Two Civil Aviation Inspector – AISs participated in a workshop on Internal Auditing for ISO 9001:2015 QMS. Two Civil Aviation Inspector – AISs, Civil Aviation Inspector – ATMSP and ATMOPS participated in a workshop on Power of Positive Thinking. Senior Civil Aviation Inspector – ATMSP, Civil Aviation Inspector AIS/ATMSP and CNS participated in a Training on Enforcement. Civil Aviation Inspector – ATMOPS and ATM-TECH trained in the Search and Rescue Officer Training course conducted at Civil Aviation Training Centre – Ratmalana.

ICAO Meetings

Director – Air Navigation Services represented the CAASL at a Seventh Meeting of the Air Traffic Management Sub-Group (ATM/SG/7) of APANPIRG.

AIP Amendments, AIP Supplements, Aeronautical Information Circulars (AICs) and NOTAMs

Three (03) AIP amendments, eleven (11) AIP Supplements and three (03) Aeronautical Information Circulars (AIC's) were issued while three hundred and sixty four (364) NOTAMs on operational ANS activities were scrutinised and granted approval for issuance.

Search and Rescue (SAR) Services within Colombo FIR

The efforts were continued for the development of SAR in Sri Lanka with renewed plans to garner support from Government entities involved in provision of SAR services in Sri Lanka.

Through continued efforts of CAASL which were ably assisted by the Embassy to Sri Lanka in Indonesia, Sri Lanka was able to receive assistance from the National Search and Rescue Agency (BASARNAS) to train four officers involved in the provision of aeronautical search and rescue services. The four officers were trained in a search mission coordinator course which was an essential training element in developing the required human resources in the field of SAR in Sri Lanka. CAASL continued the safety oversight activities at the Aeronautical SAR Coordination Centre (ARCC) in order to ensure that the related ICAO standards are complied with by the Air Navigation Service Provider. In this context CAASL was able to direct the Air Navigation service provider to conduct training on the Search and Rescue Officer Course, developing further the required human capital for such undertaking by the State.

Development of Sri Lanka Air Navigation Plan

Sri Lanka Air Navigation is developed based on the implementation guidelines of the latest APAC Regional Seamless ATM Plan and ICAO ASBU timelines. The current status of Sri Lanka and the Implementation plan in two Phases (Phase I to be completed by November 2022 and Phase II to be completed by 2025) is discussed in five main parts (Aerodrome Operations, Communication Navigation and Surveillance, Air Traffic Management, Aeronautical Information Management, Aviation Meteorology).

Regulatory Guidance for the Establishment of ADS-B Operations in Sri Lanka

Approval was granted for the commencement of ADS-B Trial Operations for an initial period of three (03) months, commencing from 08th January 2019. This was based on the accepted Pre-implementation Safety Assessment Report and the incorporation of mitigation measures against each identified Safety Risk that would only qualify the operation to be within the 'Acceptable Level of Safety' into the Standard Operational Procedures (SOPs) of Operational and Technical Units engaged in ADS-B System and also due to the satisfactory outcome of the On-site ADS-B System Inspection conducted by the ANS section.

ANS section evaluated the Refresher Training provided to Operational Air Traffic Controllers prior to the commencement of the trial operations and continuously monitored the process of Hazard Identification and Risk Mitigation which had been carried out during the period of trial operations. ADS-B Performance Reporting Forms and ADS-B Problem Reporting Forms for each month sent by the ANS and E & ANE Divisions of AASL were evaluated and communicated with the APAC Regional Office.

Based on the Post-Safety Assessment Report on ADS-B (Out) conducted by the AASL after completion of successful period trial operations, approval was granted for the commencement of ADS-B (Out) Surveillance within Colombo FIR for Tier-2 Operations (Traffic situational awareness service with procedural separation).

Regulatory Guidance for the Development of ANS Procedures for Jaffna International Aerodrome Operations

Based on the Government development plan to upgrade Palali Airport as the Jaffna International Airport (JIA), ANS section organised and conducted meetings with the Air Navigation Service Provider to develop ANS procedures. In addition the ANS section issued AIP Supplements, AIP Amendments and NOTAMs related to Jaffna operations and also participated in Aerodrome Certification Audit and safety oversight activities. In this regard the ANS section provided guidance on:

- Development of ANS procedures for Jaffna International Aerodrome
- Development of Standard Operating Procedures to be included in the Manual of Air Traffic Services
- Development of Air Navigation Services procedures to be included in the JIA Aerodrome Manual
- Development of Operational Coordination Agreements between Chennai and Colombo for the transfer of Control and Communication of air traffic to JIA
- Development of procedure for the resumption and termination of aerodrome control service at Jaffna International Airport between AASL and SLAF

Regulatory Guidance for the Implementation of SID/STAR Specific Phraseology

Noting the continuing widespread differences in SID/STAR phrases used by the pilots and air traffic controllers which resulted in confusion and consequent safety risk many times and to harmonise the use of phrases for ATC clearances promulgated in ICAO Doc 4444 – Procedures for Air Navigation Services (PANS-ATM), ANS section adopted the ICAO Asia/ Pacific SID/STAR Phraseology Implementation Strategy guided by the 6th meeting of APANPIRG ATM Sub Group. The Strategy urged the pilots and air traffic controllers to implement the use of the SID/STAR-specific phrases in PANS-ATM Amendment 7 – A.

Accordingly, ANS section together with the Aircraft Operations section of CAASL organised several meetings within the industry to make the pilots and ATCOs aware of the ICAO requirement, provided them with guidance materials, updated manuals and inspection checklists, provided guidance to conduct training sessions for operational personnel and finally an AIP Supplement on SID/STAR SPECIFIC PHRASEOLOGY WITHIN COLOMBO FIR was issued to be effective on 10th October 2019.

ANS Regulatory Aspects

During the period considered, the State letters sent by ICAO were attended to by the ANS section for the implementation of the requirements as well as for possible responses for those letters. A continuous dialogue was present with the ANS Division of AASL and other relevant stake-holders of the industry.

In pursuant to the Civil Aviation Act No. 14 of 2010, particularly Article 120 of the act, during the year 2019, the ANS section was able to publish the Implementing Standards such as Implementing Standard 028 – 3rd edition on Compliance to Annex 15 – Aeronautical Information Services and Implementing Standard 034 – 2nd edition on Compliance to Annex 10 – Aeronautical Telecommunications (Volume 1) for the regularisation of air navigation services during the period of reviewing the performance.

Development of Regulatory Framework for the Certification of Air Navigation Service Provider

As required by section 10 of the Civil Aviation Act No.14 of 2010, a service provider shall be issued with a License subject to terms and conditions specified by the Director General for the provision of Aeronautical Services and a Service Provider appointed shall possess a Certificate of Competency to be eligible for applying such a License. Based on this requirement, ANS Section developed:

Schedule 1 to the Regulation – Requirements to be satisfied for the issuance of Certificate of Competency for the provision of Aeronautical Services specified in Aeronautical Service Provider Certification Regulation.

Schedule 2 – Air Navigation Service Provider License format with Terms and Conditions.

USOAP Continuous Monitoring Approach (CMA) related Activities and Corrective Action Plans (CAPs)

Thirty Six (36) unsatisfactory areas related to air navigation services have been identified by the ICAO Universal Safety Oversight Audit conducted in 2018. ANS section has communicated with Airport & Aviation Services (SL) Ltd. (AASL) on eighteen (18) unsatisfactory Protocol Questions (PQs) for which they were responsible as the Air Navigation Service Provider due to the non-compliance with ICAO Standards.

Corrective Action Plans (CAPs) for all identified unsatisfactory PQs were submitted to ICAO which continued the process of implementing the CAPs as appropriate at CAASL. Overseeing the implementation of such at the service providers was continued whilst submitting up to date information and data related to the regulatory activities conducted by the section to close the identified deficiencies.

Lack of commitment from the service providers in implementing corrective actions planned with regards to audit findings continued as an impediment factor in realising the corrective actions proposed.

Assistance for ANS Dues recovery from Airlines

Assisted AASL the ANS provider, with special letters to our counterparts urging some airline operators to settle long-overdue payments on overflying in year 2019 as well. As a result, a few airlines settled their long-overdue overflying charges to AASL.

Service Agreements

Renewed the Service Agreement with Jeppessen to receive free supply of aeronautical maps and charts, both printed and electronic versions.

Improvement/Contribution in Corporation Affairs and Office Management

Through continuous reference and reviews, updated the existing Manuals, Checklists, Guidance Material, ANS Inspector Hand Book and ANS Chapter of CAASL's Office Manual.

Development of ANS Office Procedures Manual – SLCAP 2350 comprising new office procedures and revision of existing office procedures as necessary for the management and efficient conduct of the Air Navigation Services Section.

TRAINING ORGANISATION AND PERSONNEL LICENSING SECTION

The Training Organisation and Personnel Licensing Section is responsible for the development of rules and procedures relating to certification and surveillance of training organisations and personnel engaged in safety sensitive activities relating to civil aviation in conformity with the applicable international standards and recommended practices. The Training Organisation and Personnel Licensing Section of the Civil Aviation Authority has shown further developments in 2019, to cater to the needs of the aviation community and ensure client satisfaction. The progress of the section is as follows:

- Opening of Client – Interaction Counter at PEL section. This facilitates the general queries of customers', submission of all personnel applications and the collection of all personnel documents including Licenses from 25th March 2019.
- Operation of PEL – Technical Examination Centre with UPS power supply. Extension of power supply was provided to the whole examination unit of the PEL, so that there is an availability of multiple computers for Aircrew Technical Examinations.
- 1st SARI-EASA-CAASL Aircrew Regulation Development Workshop was held from 7th to 11th January 2019 at CAASL, Katunayake.
- The 2nd and 3rd SARI-EASA-CAASL Aircrew Regulation Development Workshop was held from 23rd to 26th July 2019 at CAASL, Katunayake.
- The 4th SARI-EASA-CAASL Aircrew Regulation Development Workshop was held from 1st to 4th October 2019 at CAASL, Katunayake.
- The 4th SARI Part 66 & 147 implementation visit to Sri Lanka was held from 5th to 9th August 2019 at CAASL, Katunayake.
- The SARI Part 66 & 147 Seminar was held from 17th to 19th September 2019 at CAASL, Katunayake.
- Aeromedical services were expanded to Cabin Crew (CC) members in all airlines including all initials, every five year renewals and annual assessments for individual above 50 years from January 2019 according to IS 097.
- January 2019 – CC filing system was computerised using G-Suite, enabling us to identify the CC members who need follow up on their medical ailments and highlights the CC members with medical conditions which require submission of certain reports.
- Surveillance of SriLankan Airlines Medical Centre was conducted in August 2019. Guidance was given to improve their systems on maintaining follow-ups for the Class I and Class II License/certificate holders.
- One flying training organisation, FITS Air Flight Academy (FAFA), was certified during the year.
- All surveillance of the flying training and ATC training organisations was carried out according to the approved surveillance plan.
- Two hospitals were designated in 2019 for the conduct of medical investigations, including choosing one from Negombo area which was a longstanding request from CAASL clients.
- Procedure for breathalyser testing on personnel engaged in safety sensitive activities formulated.
- Implementing Standards as per Amendment 175 of ICAO Annex – 01, has been reviewed and revised.
- Participation in foreign meetings/ workshop:
  - Senior Civil Aviation Inspector Aviation – Medicine (SCAI-AM) attended the National Influence Committee Meeting held at Ministry of Health – monthly, preparatory workshop prior to WHO mission on International Health Regulations at BIA by Ministry of Health in April 2019, online course granted by Aviation Medicine Unit of ICAO and JAA/TO on conducting a technical assistance visit to CAPSCA member states and airports – completed in June 2019.
  - Senior Civil Aviation Inspector Non-Flight crew (SCAI-NFC) attended SARI Part 66/147 5th Implementation Workshop held in Nepal from 13th to17th May 2019.

AIRCRAFT OPERATIONS SECTION

The Aircraft Operations Section under the Division of Flight Safety Regulations is primarily responsible for the development of local regulations, rules, directives and procedures in conformity with the applicable international Standards and Recommended Practices (SARP) adopted by the International Civil Aviation Organisation (ICAO) for the effective safety oversight of operators. The section also undertakes initial as well as re-certification of applicants for operation of air services. Issuance of dangerous goods permits and ground handling licenses too come under the purview of the Aircraft Operations Section.

Regulatory Development

In 2018/2019 the Operations Section has issued/revised a number of regulations, Implementing Standards, directives and guidance material for compliance of the industry.

- IS 002 – Flight Data Document System
- IS 009 – Compliance to Annex 9 – Safe transport of Dangerous Goods by Air
- IS 011 – Compliance to Annex 6 Part (1) chapter 1 – Definitions
- IS 012 – Compliance to Annex 6 – Part (1) – Chapter 3 – General Requirements
- IS 013 – Compliance to Annex 6 – Part (1) – Chapter 4 – Flight Operations

- IS 014 – Compliance to Annex 6 – Part (1) – Chapter 5 – Aeroplane Performance Operating Limitations
- IS 015 – Compliance to Annex 6 – Part (1) – Chapter 6 – Aeroplane Instruments, Equipment and Flight Documents
- IS 016 – Compliance to Annex 6 – Part1 – Chapter 7 – Requirements for Aircraft Communication and Navigation
- IS 017 – Compliance to Annex 6 – Part (1) – Chapter 8 – Aircraft Maintenance
- IS 018 – Compliance to Annex 6 – Part (1) – Chapter 9 – Aeroplane Flight Crew
- IS 019 – Compliance to Annex 6 – Part (1) – Chapter 10 – Flight Operations Officer/Flight Dispatcher
- IS 020 – Compliance to Annex 6 Part (1) – Chapter 11 – Manuals, Logs & Records
- IS 021 – Conformance to Annex 6 Part (1) – Chapter 12 – Cabin Crew Members
- IS 022 – Compliance to Annex 6 Part (1) – Chapter 13 – Security
- IS 023 – Compliance to Annex 6 Part (11) – International General Aviation – Aero plane
- IS 045 – Public Health Emergencies involving Operations of Aircraft
- IS 054 – Limitation on Flight Time, Duty Periods & Rest Periods of Flight Crew members and cabin Crew Members
- IS 059 – ICAO Annex 6 – Part (111) – Operation of International Operations – Helicopters
- SLCAP 4100 – Air Operator Certification Manual, 4th Edition 2018
- SLACP 4105 – Foreign Air Operator Certification Manual
- SLCAP 4200 – Operations Inspector Handbook
- SLCAP 4205 – DCP Manual
- SLCAP 4215 – MMEL-Mel Policy and Procedure Manual
- SLCAP 4225 – Operations Inspectors Training Manual
- SLCAP 4300 – Cabin Crewmember Manual Standard
- SLCAP 4305 – Cabin Crewmember Training Manual
- SLCAP 4400 – Manual on Transport of Dangerous Goods
- SLCAP 4410 – Dangerous Goods Inspectors Guidance Material
- SLCAP 4550 – Ground Handler Certification Procedure Manual
- GD 001 – Crew Resource Management Training for Flight Crew, Cabin Crew and Flight Dispatchers
- GD 005 – Compliance to Annex 18
- GD 006 – Bracing for Impact Positions during an Emergency for Aeroplanes and Helicopter Occupants
- GD 007 – Medical Requirements for Cabin Crew
- GD 016 – Aircraft Tracking
- GD 017 – Carriage of Lithium Battery Powered (Electronic Devices)

Air Operator Certificates

The Operations section renewed the eleven (11) Air Operator Certificates for the following airlines in the year 2019:

- SriLankan Airlines Limited
- Fits Aviation (Pvt) Ltd.
- Daya Aviation (Pvt) Ltd.
- Millennium Airlines (Pvt) Ltd.
- Senok Aviation (Pvt) Ltd.
- Saffron Aviation (Pvt) Ltd.
- Richy Skylark (Pvt) Ltd.
- IWS Aviation (Pvt) Ltd.
- Sakurai Aviation Limited
- Fly Southern (Pvt) Ltd.
- F-Airways Limited

Foreign Air Operators

The Operations Section issued six (06) initial Foreign Air Operator Certificates for the following airlines:

- Chongqing Airlines
- Vistara Airlines
- LOT Polish Airlines
- Royal Flight Airlines
- Sky Up Airlines
- Salam Air
- Alliance Air

The Operations Section has renewed twenty eight (28) Foreign Air Operator Certificates which were issued to the existing airlines operating services to Sri Lanka.

Transport of Dangerous Goods

This section has renewed seventeen (17) DGR permits during 2019.

Designated Check Pilot Monitoring and Pilot Proficiency check approvals

Initial DCP approvals issued for three (03) flight crew members and 14 of them were renewed. Twenty two (22) Pilot Proficiency Checks were carried out.

Designated Flight Operation Inspectors

Due to shortage of competent FOIs employed with the CAASL in adequate numbers to accomplish regulatory functions including surveillance activities, Operations Section renewed six (06) Designated Flight Operations Inspectors with powers delegated by the Authority to perform certain regulatory duties and functions for or on behalf of the CAASL as and when required.

A Designated Civil Aviation Inspector for Aircraft Ground Operations (DSCAIAGO) was appointed in 2019 to complement the existing Ground Operation Inspectors in the CAASL for surveillance functions.

Surveillance

The Operations Section continuously conducts surveillance on Local and Foreign Air Operators for compliance of CAASL Regulatory Requirements as per

the approved Surveillance Plan to ensure an effective safety oversight system in Sri Lanka. Surveillance activities were carried out in 2019 by the Operations Section which included Ramp Inspections, Training Observation, Dangerous Goods Operators, Dangerous Goods Handlers, Dangerous Goods consignments, En-route Inspections, Operations Control, Pilot Proficiency, Flight Duty Period, Flying School, Designated Check Pilot, Main Base, Flight Data Monitoring, Safety Management Systems, Station Facility Inspections, Simulator Inspections, Performance Based Navigation, and Ground Handling Inspections.

SriLankan Airlines embarked on Evidence Based Training (EBT) in 2019 which is training for the future to enhance the existing training capability of the crew.

Proving flight was carried out for FITS Aviation on the Cessna 208B to restart Domestic Passenger Operations from Ratmalana to Baticaloa and subsequently from Katunayake to Baticaloa on the ATR-72 aircraft to enhance passenger carriage, allowing passengers arriving from overseas to have better connectivity to domestic travel.

Proving flight was also carried out for FITS Aviation from Jaffna to Chennai on the ATR-72 aircraft to confirm international passenger commercial operation capability, which was a stepping stone for small operators.

AIRCRAFT REGISTRATION AND AIRWORTHINESS SECTION

The Aircraft Registration and Airworthiness Section is vested with the major responsibility for the development of rules and procedure for registration of civil aircraft in Sri Lanka, in accordance with the applicable international standards and recommended practices. It includes grant of approval for Maintenance Training Organisations, Continuing Airworthiness Management Organisations and aircraft maintenance organisations and monitoring their activities.

This section carries out airworthiness related functions on all aircraft registered in Sri Lanka and surveillance of all civil registered aircraft operated in Sri Lanka.

The Civil Aircraft Registry in Sri Lanka stood at a total of 88 by the end of December 2019 and includes 29 large aircraft (MTOW>5700KGS), 42 light aircraft, nine Helicopters, six balloons and two ultra lights.

Regulatory Development

In 2019, Regulations on Nationality Marks and Registration were under finalisation of the legal draftsman.

Regulation on certification of Fuel and Lubricant Service Provider and Implementing Standard for Annex 16 Volume III – Aeroplane Carbon dioxide Emissions are in drafting stage.

Certification Activities

1. Airworthiness of Aircraft

Up to the end of December 2019 a total of eight initial Certificates of Airworthiness were issued and 74 Certificates of Airworthiness were renewed.

2. Approved Maintenance Organisations (AMO)

15 Maintenance Organisations (Local) certificates were renewed after conducting of Annual Audit and 58 FAMO (Foreign) Certificates were renewed. There are three special AMO approvals given for Ceylon Petroleum Corporation in RMA, BIA, MRIA and JAF.

A total of 41 workshop capability approvals were also granted. A comprehensive audit was conducted on SriLankan Airlines Maintenance facility.

3. Aircraft Registrations

Eight new aircraft were registered up to end of December 2019 whilst 80 were renewed. During the period under review, a total of seven aircraft from the SriLankan fleet de-registered and one Export Certificate of Airworthiness was issued.

4. Maintenance Training Organisations (MTO)

A total of four AMTO Certificates were renewed after conducting the Annual Audit.

5. Continuing Airworthiness Management Organisations (CAMO)

A total of three CAMO Certificates were issued after conducting the Annual Audit.

Surveillances Activities

Safety Oversight

A total of 112 ramp inspections and 50 night inspections were carried out. A total of 174 Occurrence Reports were received from the industry and analysed as part of the Safety Oversight Programme.

Enforcement Activities

Two MA-60 (4R-HTN and 4R-HTO), two Cessna 206 (4R-HDA and 4R-ASD), R-44 (4R-ASG), A321 (4R-MRD) and A330 (4R-ALD) were de-registered.

Other Functions

1. Recommendations for issue of Visas

Recommendations for landing endorsement and residence visas for nine foreign nationals working in the local industry. After May 2019, recommendations for landing endorsement and residence visas are issued in an interview panel conducted by ATER with AW team.

2. Spare Parts Approval

A total of 217 letters were issued to numerous operators and maintenance facilities to import/export spares required for maintenance of aircraft.

AVIATION SECURITY SECTION

The primary objective of the Aviation Security Section is to regulate security functions of the aviation industry in Sri Lanka with the prime task of mitigating the acts of unlawful inferences with civil aviation by regulatory developments in accordance with international standards and recommended practices. In order to achieve this objective, the Aviation Security Section develops, implements and maintains a written National Civil Aviation Security Programme (NCASP) in Sri Lanka.

Under the chairmanship of the Secretary, Ministry of Defence (MOD), the section convenes the National Civil Aviation Security Committee (NCASC) and it creates a platform for all senior officials of policy-making level relevant to aviation (Secretary Ministry of Transport and Civil Aviation, Secretary Ministry of Tourism Development, Secretary Ministry of Law and Order, Chief of Defence Staff, Tri Forces Commanders, Inspector General of Police, Controller General of Immigration and Emigration, Director General of Customs, Chairman of SriLankan Airlines, Chairman of AASL, etc.) to discuss aviation security matters with the purpose of providing policy guidelines to DGCA as the appropriate authority for aviation security for implementation.

The Aviation Security Section conducts aviation security quality control activities (inspections, AVSEC tests and audits) as per the approved annual surveillance plan to ensure the effective implementation of the NCASP requirements by the airport operators, aircraft operators and other entities involved in aviation security functions. Also, the section does the certification of all categories of personnel who are involved in or responsible for implementing, supervising and managing aviation security functions of operators as per the annual activity schedule of Aviation Security Personnel Certification.

Regulatory Development

In 2019, the section developed draft Aviation Security Service Provider Licensing Regulations, to be incorporated with Civil Aviation Aeronautical Service Provider Licensing Regulations and it was in the process of being enacted.

The 3rd edition of the NCASP was developed with insertion of new SARPs of the 16th Amendment of ICAO Annex 17 by the section and it was reviewed by a committee appointed by the Chairman NCASC/Secretary MOD. It was then published with authorisation of the Chairman NCASC/Secretary MOD and approval of the Hon. Minister of Transport and Civil Aviation in November 2019 for its effective and efficient implementation.

The National Civil Aviation Security Contingency Plan was approved by the Chairman NCASC/ Secretary MOD in November 2019, after having obtained views from the three services members and the legal section of the MOD.

Further annual reviews of the following National Level Aviation Security benchmark documents were done and areas that need to be amended were identified and such documents were scheduled to be updated and published in 2020.

- National Civil Aviation Security Quality Control Programme (NCASQCP)
- National Civil Aviation Security Training Programme (NCASTP)
- National Civil Aviation Security Screener Certification Programme (NCASSCP)

Certification Activities

Certification of Aviation Security Service Provider at BIA

Certification of Aviation Security Service Provider at BIA was completed with a comprehensive audit followed by several follow-up inspections. The Aviation Security Service Provider License with the Competency Certificate was scheduled to be issued to AASL within the 1st quarter of 2020, once the administrative procedures were completed.

Aviation Security Personnel Certification

Certification/Re-certification of aviation security personnel of airport and aircraft operators was continued throughout 2019 by the section according to the approved Activity Schedule of Personnel Certification. Details of the certified personnel during 2019 is as follows:

- Certification/re-certification of aviation security managers – 013
- Certification/re-certification of aviation security instructors – 006
- Certification/re-certification of aviation security screeners – 690

Aviation Security Screening Equipment Certification

Re-certification of two Explosive Trace Detectors of SriLankan Airlines, were carried out during 2019.

Air Operator Certification

Eleven recommendations for local aircraft operators and 41 recommendations for foreign aircraft operators were done for issuance/renewal of their air operator certificates after reviewing their aircraft operator security Programmes and their recent operational records.

Surveillance Activities

The following quality control activities were carried out on aviation security stakeholders by the inspectorate of the section in accordance with the approved Surveillance Plan in 2019:

- AVSEC Inspections – 50
- AVSEC Tests – 08
- AVSEC Audits – 02

Apart from the scheduled activities, a comprehensive audit was conducted at Jaffna International Airport – JIA (the new international airport in Sri Lanka) by the sectional inspectorate, to assess the current security system in order to determine whether the aviation security measures of controls stipulated in the JIA Security Programme have been implemented.

Further, a foreign station assessment was conducted by the sectional inspectorate at Muscat International Airport (MCT) in Oman on Wet Lease Aircraft Operation of SRILANKAN AIRLINES LIMITED (as Lessor) and OMAN AIR (S.A.O.C) (as Lessee) relevant to the Airbus A330-300 MSN 1583 Aircraft with Aircraft Registration No: 4R-ALM. The objective of this assessment is to ensure that the Sri Lanka registered aircraft is operated according to the applicable security provisions of the National Civil Aviation Security Programme in Sri Lanka as the responsibility for operational control and safety is with state of registry.

Enforcement Action

Enforcement actions were taken against the stakeholders who made violate regulatory requirements. The section did several follow-up activities in order to verify the implementation of corrective action by the entity concerned in respect of such violations.

Any Other Information

The New Aviation Security Regulation Division

In 2019, the Aviation Security Section was attached to the newly-established division of the CAASL, Aviation Security Regulation Division.

Declaration of Enhanced Aviation Security Measures of Control in Sri Lanka for THREAT LEVEL 3 (HIGH)

Following the terrorist attacks that took place at different locations in Sri Lanka on 21st Sunday, April 2019, aviation security measures of control have been elevated to THREAT LEVEL 3 (HIGH). Accordingly, all stakeholders including aeronautical service providers were informed to implement enhanced security measures of control, defined for THREAT LEVEL 3 (HIGH), in the National Civil Aviation Security Programme (NCASP) and also specified in the approved Airport Security Programmes (ASP) and Aircraft Operators Security Programmes (AOSPs), with immediate effect and without any deviations.

National Civil Aviation Security Committee

Two (02) National Civil Aviation Security Committee (NCASC) meetings, chaired by Secretary, Ministry of Defence, were convened in August and December 2019 in view of coordinating aviation security activities among the Government departments, agencies and other organisations, airport and aircraft operators responsible for the implementation of various aspects of NCASP.

Universal Security Audit Programme – Continuous Monitoring Approach (USAP-CMA) Audit in Sri Lanka

In accordance with the ICAO-CMA audit schedule of 2019, Sri Lanka was to be audited within the last quarter of 2019, to determine the degree of compliance of Sri Lanka in implementing ICAO Annex 17 Standards and security-related provisions of Annex 9. However, due to the terrorist attacks that took place at different locations in Sri Lanka on 21st Sunday, April 2019, the audit was postponed to 2020 by ICAO in mutual understanding with CAASL.

ICAO Training Programmes in Sri Lanka

The Aviation Security Section facilitated, on behalf of the Civil Aviation Authority of Sri Lanka, the hosting of two (02) back-to-back ICAO training programmes, exclusively for Sri Lankan nationals coming under the CAASL regulatory framework. These two training programs were offered under the ICAO ad-hoc technical assistance mission to Sri Lanka as a result of a CAASL request in order to enhance aviation security oversight capabilities in human resources of civil aviation in the country.

The two training programmes were namely:

(1) National Civil Aviation Security Quality Control Program (NCASQCP) Workshop - 5 days, from 14th to 18th October 2019

(2) National Inspector Course (NIC) - 7 days, from 21st to 29th October 2019

The NCASQCP Workshop was attended by 22 participants (08 CAASL, 08 AASL, 05 SriLankan Airlines and 01 SriLankan Airlines Catering Services) and the NIC was

attended by 14 participants (08 CAASL and 06 AASL). On completion of these two training programmes, we achieved qualifying CAASL Inspectors and entity inspectors of AASL, in order to assist CAASL to expand the AVSEC Oversight Capability by integrating resources and improving the quality control system including the internal QC within the industry.

Participation of ICAO International Training/Meetings/Workshops

Personnel attached to the Aviation Security Section were afforded opportunities to attend the following training, workshops, seminars and meetings held overseas to broaden their knowledge and exposure in the subject matters.

- ICAO Regional Universal Security Audit Programme Continuous Monitoring Approach (USAP-CMA) Seminar, 12-15 February 2019 in Bangkok, Thailand
- CASP-AP 7th Annual Technical and Operational Meeting (7 ATOM), 26-27 February 2019 in Seoul, Republic of Korea
- Aviation Cyber Resilience Workshop 3, 13 June 2019 in Kuala Lumpur, Malaysia
- CASP-AP 16th Steering Committee Meeting (16 SCM) and ICAO 7th Regional Aviation Security Co-ordination Forum (7 RASCF), 08-11 July 2019 in Pattaya, Thailand

Provision of Expertise to ICAO

At the invitation of ICAO, Deputy Director General (Aviation Security Regulation), Mr. P. A. Jayakantha as an ICAO Aviation Security Auditor, participated in an ICAO USAP Audit Missions in Malaysia in April 2019.

Approval for carriage of weapons on board/cargo holds of an aircraft

Approval for carriage of munitions within the airspace of Sri Lanka and to/from airports within Sri Lanka is vested with the Director General Civil Aviation and those requests are made by the State and private organisations as well as individuals. In this context, there were 165 approvals granted for carriage of munitions in the cargo hold and 35 approvals for carriage on board during 2019.

Manage the Integrated Security System of the CAASL Head Office, Katunayake

During 2019 the section continually administered the Physical Security Services, Electronic Access Control System and Closed Circuit Television (CCTV) System within the CAASL Head Office premises, in order to establish a secure environment for its staff and customers and to protect its properties.

AIR TRANSPORT AND ECONOMIC REGULATION SECTION

The Air Transport and Economic Regulation Section comes under the Corporate Management Division of the Civil Aviation Authority which shoulders the responsibility of regulating the aviation industry in Sri Lanka. The section concentrated during the year on the effective regulation of air transport providers and of economic affairs as its strategic objective. Air services negotiations and agreements, flight schedule approvals, visa recommendations for expatriates working in airlines, licensing of air transport providers and consumer protection were the key activities towards the achievement of the said strategic objective.

International Scene

International Airline Operations

During the year concerned 35 scheduled airlines operated to/from Sri Lanka including SriLankan Airlines. Legacy carriers were the major portion of the operators while there were also "no-frills" carriers that contributed to passenger movements to/from the world's major destinations. World-leading air carriers like Emirates Airlines, Korean Air, Cathay Pacific Airlines, Air China, Etihad Airways, Turkish Airlines, Singapore Airlines and Qatar Airways continued their operations to Sri Lanka in 2019.

In the aftermath of the Easter attacks (21 April 2019), several airlines reduced frequencies owing to the reduced demand for travel. The GOSL offered several incentives to the airlines to encourage them to keep their operations to Sri Lanka without disruption. The incentives offered were on fuel, ground handling and the reduction in the embarkation levy for passengers. Towards the latter part of the year, airlines re-instated their original number of frequencies and continued their operations.

During summer 2019, due to the Easter attacks, 11 airlines reduced frequencies and 32 flights per week were cancelled. Estimated seat loss per week was 8,961 seats (using the minimum configuration). From the countries where cancellations took place there was a seat loss of 19% and total seat loss to BIA of 8.9%.

New Operators and Discontinuations

With the opening of the Jaffna International Airport (JIA), Alliance Air became the first carrier to conduct regular flights, operating three flights a week connecting JIA and Chennai using an ATR 72-600 Aircraft in November 2019.

Lot Polish Airline from Warsaw commenced operations in November with twice weekly frequencies using a Boeing 787 Dreamliner aircraft providing useful connections to Europe.

Vistara Airlines from India also commenced operations during the month of November connecting Mumbai to Colombo six times a week using an A320 Aircraft. Salam Airlines from Muscat also commenced in November flying four times a week using an A320 aircraft.

KLM and Thai Air Asia discontinued operations during the year, with a promise that they would re-look at Sri Lanka at an early stage.

International Charter, Ad-Hoc and Business Jet Operators

Six charter operators continued their operations during IATA Winter season of 2019 namely Azur Air (from Russia), TUI (Indonesia), Skyup (Ukraine), Royal Flights (Moscow) and SCAT (Kazakhstan). Charter carriers such as these that usually operate a series of flights during the winter season are significant contributors to the economy of our country, as they bring tourists on an all-inclusive basis who are contracted for hotel stays, transportation and other excursions.

There were also three ad-hoc charter operators, TUI Airways (Indonesia-Mattala-Singapore), Constellation Aviation Services (Colombia-BIA-Russia) and MJets (Bangkok-Colombo-India) that were granted permission during the year.

Slot Coordination

The slot coordination of Bandaranaike International Airport is under the Director General of Civil Aviation and Schedule Planning Department of SriLankan Airlines allocates slots for airlines subject to the approval of DGCA. Prior to the commencement of each IATA season the slot committee is summoned by the DGCA for reviewing of the proposed slot allocations for the given season. The slot committee consists of representatives of SriLankan Airlines as ground handler, Airport and Aviation Services (Sri Lanka) Ltd. as the aeronautical service provider and airport operator, Ceylon Petroleum Corporation as aviation fuel and lubricant supplier, Department of Immigration and Emigration as border controller, Sri Lanka Customs as customs duty authority, representatives of the Air Operators Committee as operators, etc.

Two meetings were held for IATA Summer 2019 and IATA Winter 2019/20 to coordinate slots at BIA and MRIA and the meetings were chaired by the DGCA. Based on the various limitations, the slot allocation criteria per hour was 10 arrivals and 12 departures. However, the total number of movements per any given hour was limited to 15. Wednesdays (Day 3)

from 1430hrs to 1700hrs is not allocated for aircraft operations in order to allow routine runway maintenance activities.

The CAASL also gets involved to resolve slot allocation disputes that arise due to the mismatches between the original requirements of the airlines vs availability of slots. The CAASL intervenes to provide the most acceptable solutions for both parties.

Domestic Scene

Regulation of Air Transport Providers (Passenger) License (Travel Agency License)

The Provisions in the Air Navigation Act No. 55 of 1992 and Civil Aviation Act No. 14 of 2010 permit license holders to be involved in the carriage of passengers, cargo and mail by air. Air Transport Providers (Passenger) License is a mandatory requirement to conduct such businesses in Sri Lanka. There are two categories of license as Group A and Group B, depending on the stated capital/capital contribution of the agency and the license is renewable annually.

The Authority approved a proposal to establish a pool of air transport inspectors to inspect and evaluate travel agents established around the country. It is also a mandatory requirement for a new agent to be inspected prior to the issuance of an Air Transport Provider's License. The members of the pool are all existing staff members of the CAASL, who provide their service according to a pre-determined roster. So far there have been 73 inspections carried out by the team of inspectors in Jaffna, Beruwala, Negombo, Colombo, Kandy, Ragama, Rajagiriya, etc. More inspections have been planned in the upcoming year.

As per the Direction of the DGCA, all new travel agents are to be inspected by an air transport inspector's team prior to granting of a license.

A Directive was issued to all travel agents by DGCA outlining the manner in which the agents must conduct their businesses especially the manner in which they interact with consumers. Appropriate penalties were set up for violations from the standard Code of Conduct.

During the year under review 58 new licenses were issued for agents with 38 in Group A and 20 in Group B category respectively. There were 410 Group A license holders who renewed their license while 65 Group B holders renewed. A considerable numbers of agents have not renewed their licenses or ceased their operation due to various reasons. In 2019 the bank guarantee amount was increased up to Rs. 500,000/- for Group B license holders and a considerable numbers of Group B holders upgraded their license to Group A.

Month	Air Transport Providers License							
	Initial Issue				Renewals			
	Group A		Group B		Group A		Group B	
	2018	2019	2018	2019	2018	2019	2018	2019
January	0	1	0	3	39	40	4	7
February	1	4	2	2	33	19	5	3
March	0	2	5	6	23	42	7	4
April	2	3	1	0	28	19	2	3
May	4	4	3	4	46	35	4	5
June	4	3	1	2	24	33	3	3
July	2	4	3	1	38	38	7	5
August	1	2	2	1	33	25	9	11
September	1	4	3	1	21	29	9	8
October	2	4	1	0	32	48	16	5
November	5	1	2	0	31	44	10	2
December	2	6	3	0	40	38	6	9
Total	24	38	26	20	388	410	82	65

Table 1 – Issuance of Air Transport Provider's License 2018 and 2019

Termination of Business of Expired License Holders

Travel agents use a Global Distribution System (GDS) to issue their tickets and do the necessary bookings to satisfy the requirements of their passengers. The possession of a valid Air Transport Provider's License is a pre-requisite to hold a GDS connection. The section took action to disconnect GDS facilities from expired license holders by informing GDS providers. The programme was very helpful to maintain licensed agents in the industry.

Visa Recommendations for Expatriates and Students Working/ Studying in Sri Lanka)

According to the directions given by the Director General of Civil Aviation as per the instructions issued by Department of Immigration and Emigration, all expatriates who are working in a local aviation entity have to obtain recommendations from the Civil Aviation Authority in order to obtain the work permit/residence visa for Sri Lanka. The CAASL recommends such requests for the aviation industry via the line ministry.

In this connection, a new procedure was introduced in June 2019 with a directive from the DGCA, whereby all applicants have to be interviewed by a panel of three senior staff (Director Level) of the CAA prior to granting of a visa recommendation. This was introduced to ensure that appropriate personnel were recommended as well as the recommended personnel were informed of the regulatory requirements of the CAASL. For the first time student visas were also granted to the AT/ER Section for processing. The new procedure was informed to the industry for compliance by the Director General of Civil Aviation to streamline the process for the issuance of visa recommendations. The directive was CAASL/AT/02/2019 dated 15th July 2019, "Visa Recommendations for Expatriate Employees of Local and Foreign Airline/ GSAs/Travel Agencies in Sri Lanka – Initial and Extension."

The section has issued 87 visa recommendations to the industry including foreign technical and non-technical expatriate staff and 187 visa recommendations have been issued to foreign students.

As a general rule the Authority limits the employment of foreign nationals to a maximum of two for non-technical category and two in the technical category and always encourages the industry to employ local staff as far as possible to enhance local employment opportunities. However, depending on the industry requirements and the benefit to the local economy from the entity's operations in Sri Lanka, the CAASL has granted additional recommendations.

Consumer Complaints Against Travel Agents and Airlines

A passenger using air transport services usually does have a pleasant experience. On rare occasions passengers may face inconveniences. Such passengers have the option of complaining to the Authority against travel agents, airlines and airports. The CAASL mediates between the two parties and directs them for a solution. When a travel agent registers with the CAASL they have to lodge a bank guarantee which the Authority may use to pay the consumer (traveller) any monetary losses he may incur as a result of any omissions in his service delivery.

During the year concerned 60 such complaints were received from passengers and at the end of the year the section was able to solve and conclude 30. The rest of the complaints are being investigated and positive outcomes are expected.

The Majority of such complaints are against travel agents and the following pie chart shows the categorisation of the complaints received.

Staff Welfare Facilities

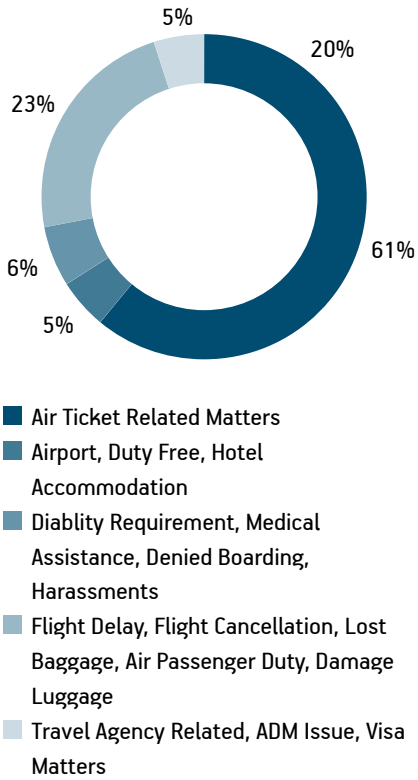


Figure 1 – Passenger Complaints 2019

Ground Support Service Permits – (Fixed Base Operator Permits)

Operation of business jets/private jets and ad-hoc charters have increased over the past couple of years and it is a necessity to have more service providers to facilitate and handle these operations at local airports. CAASL has identified the requirement for regulation of this business in order to ensure smooth operations of such business/private jets.

Some countries have identified these industry service providers as fixed base operators who provide all the facilities for air craft operators like fueling, catering, ground handling, etc. In Sri Lanka as this industry is in its fledgling stages and

due to certain legislative limitations, the authorisation granted to a ground support service provider is limited to the ground supervision area.

During the year concerned eight Ground Support Service Permits were renewed and another two obtained new licenses. In future all business jet/private jet operators and ad-hoc charter operators will be required to have their flights operated with the assistance of CAASL approved Ground Support Service Providers.

Airline Licensing and Foreign Airline Licenses

All Sri Lanka registered airlines are required to have an Air Operator Certificate (AOC) which proves the technical competency of their operations. Similarly a license is required for the airlines to have the necessary authorisations to conduct their commercial activities. An Airline License is issued for scheduled passenger services and Charter Licenses are issued for charter operations. Aircraft used for private purposes are issued with Private Flight Authorisations.

Airline Licenses were renewed for SriLankan Airlines, Saffron Air and Fits Air during the year. No new Airline Licenses were issued. The renewed charter airlines were of SriLankan Airlines, Fits Air, Richy Skylark, Daya Aviation, Millenium Air, Senok Air, Sakurai, Fly Southern, Cinnamon Air and F-Airways. Daya Aviation obtained a Private Operator License during the year.

National Civil Aviation Policy

The Section was involved along with the DGCA, Deputy Director General (CA/ER) and the Director (AT/ER) in the drafting and consultative process of the National Civil Aviation Policy (NCAP). The draft agreed among the stakeholders was submitted for Cabinet approval during the year. The Cabinet of Ministers approved the NCAP for implementation in March 2019. The NCAP is geared towards the promotion of the aviation industry, both international and domestic, to position Sri Lanka as a regional leader and to derive economic benefits for the country.

Implementation of US Dollar Fares in Sri Lanka

The CAASL facilitated many discussions on the implementation of the USD fares in Sri Lanka between the Board of Airline Representatives (BAR), Sri Lanka Association of Airline Representatives (SLAAR), IATA Agents Association of Sri Lanka and Travel Agents Association of Sri Lanka. (TAASL).

After a lengthy dialogue with the industry, the DGCA granted his "no objection" to implement USD fares for fares originating out of Sri Lanka. The DGCA set out many conditions to be followed to ensure that the consumer interests are guaranteed. Although fares can be quoted in USD by the airlines, the final payment by the passengers will be done in LKR.

Participation at Foreign Conferences and Workshops

During the year the section's Director (Air Transport Air Services and Traffic Rights) took part in the ICAO Air Transport Symposium held in Incheon, Korea in May 2019 and also functioned as a speaker. He also participated as a Sri Lanka delegate at the ICAO Assembly in Montreal in September 2019. Both these opportunities provided the staff member concerned with knowledge, exposure and opportunities for networking with industry peers.

Implementation of APP/PNR in Sri Lanka

The GOSL has decided to implement Advanced Passenger Processing and Passenger Name Record in Sri Lanka. The Department of Immigration is the main stakeholder in this programme. The CAASL is also another important stakeholder responsible for liaising with the aviation industry for implementation of the programme. SITA has been chosen by the GOSL as the technical solutions provider.

The CAASL issued a Directive titled 'Implementation of Advanced Passenger Processing (APP) and Passenger Name Record (PNR) in Sri Lanka' on 26th August 2019, making it mandatory for airlines operating from/into Sri Lanka to provide APP/PNR details towards this programme.

The CAASL also organised an awareness workshop on 5th November 2019 for all airlines at the CAA Auditorium. The airlines were educated and enlightened by the resource personnel on the technicalities of the APP/PNR programme. Around 100 industry participants were present and enthusiastically participated in the proceedings.

Directive for Denied Boarding, Delay and Cancellations

The Section drafted a directive for the implementation of a swift compensation programme for consumers without litigating, thus saving the airline and consumer's time and money. This will create a common and equitable platform for compensation to be paid to the consumers. The Directive is to be implemented next year.

Staff Training Programmes Facilitated by the Section

The Section organised two workshops at the Ground Floor Auditorium to make the CAA staff aware about important new developments in the industry. The first workshop was conducted soon after the opening of the Jaffna International Airport. The DGCA conducted the workshop and enlightened the staff about the potential of the airport and how it would assist the community in Jaffna and surrounding districts.

The second workshop was conducted by Mr. Dhanula Jayaratne of the ANS Section on the new drone registration mechanism that the CAA has introduced recently.

Airline Reservations and Fares Calculations Course

The 13th batch of the above course was completed during the year and the 14th batch was commenced. The course comprises a visit to the airport and a travel agency to expose the participants to real world challenges. So far 131 students have graduated from this course since its inception. Many of our students have gone on to join reputable airlines and travel agencies, while some of them have started their own travel agencies. A prize giving was held to award certificates to the successful students of the 13th batch.

Implementation of E-Airway Bills in Sri Lanka

A new initiative was implemented to direct that E-Airway Bills be used by the airlines as default contract of carriage for air cargo carried out of Sri Lanka. This initiative will result in time savings, accuracy and conveniences for the airlines and freight forwarders. A series of meetings was held and an implementation programme has been commenced. This will be the first step towards implementing E-Freight in Sri Lanka.

Regulations for Licensing of Cargo Agents

During the year regulations were drafted for the licensing of cargo agents to bring them in to the regulatory framework of the CAASL. The draft regulations were circulated to the industry. It will be finalised in 2020 and implemented.

HUMAN RESOURCES AND PROPERTY MANAGEMENT SECTION

The Human Resources and Property Management Section (HRPM) ensures the right personnel are employed at CAASL to perform duties. Further, it creates opportunities to facilitate and motivate individuals and group of employees to grow and advance their performance at CAASL. The section is also responsible for the officer administration and management of properties vested with the Authority.

During the year under review, HRPM Section continuously supported the Authority to accomplish its strategic objectives, functioning with a collection of human resources policies that outline a comprehensive description of the objectives, procedures, eligibility, limitations and exemptions (if any) pertinent to the requirements also set as guidelines in the Staff Rules and Administrative Procedure Manual (SLCAP 5000). The HRPM Section has always maintained an uncompromising voice in ensuring achievement of the goals, objectives and expectations set by the Authority to accomplish its priorities.

Organisational Reforms and Staffing

Based primarily on the objective of being an adept and credible aviation safety regulator, CAASL's highly evolved and stringent recruitment process ensures that all employees enter CAASL with a clear idea of the expected outcome and methods and systems that are implemented for them to optimise innate abilities.

The HRPM Section has formated initiatives to provide a skilled and competent workforce to drive the functions of the Authority. Hence, during the year under review, HRPM made an enormous effort to fill vacant positions with the most appropriate candidates to assure the continuous operations of CAASL. Subsequently, eleven (11) new recruitments took place in the year 2019, making a total of one hundred and eighty two (182) staff members as at 31st December 2019. Four (04) promotions were made to the next level during 2019, creating a platform for existing staff members to climb up the hierarchical ladder.

Category of Staff Members Attached

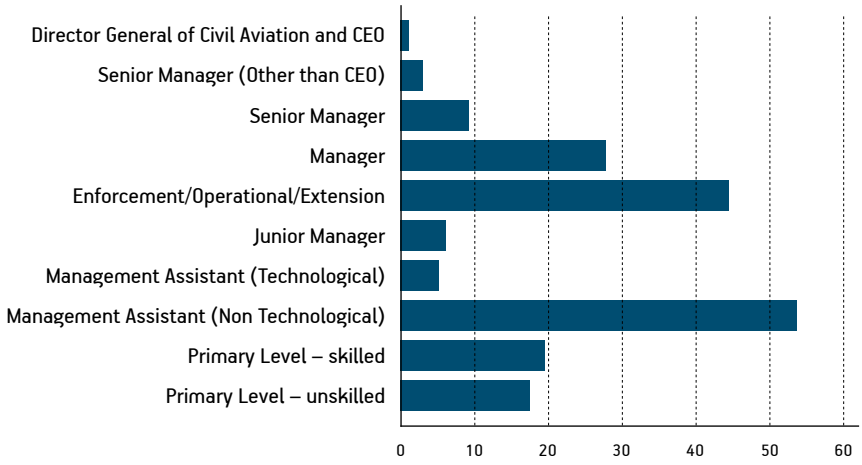


Figure 01 – Staff attached as at 31 December 2019

As depicted in Figure 01, by the end of the year under review, CAASL staff consisted of a Director General and CEO, three (3) officials in the employment category of Senior Manager other than CEO, nine (9) in the employment category of Senior Manager and twenty seven (27) in the category of Manager. According to the current statistics, forty three (43) staff members are employed in the category of Enforcement/Operational/Extension and six (6) staff members are categorised under Junior Manager. Further, five (5) staff members are employed as Management Assistants –Technological and fifty two (52) are employed as Management Assistants – Non Technological. Under Primary Level skilled and Primary Level un-skilled, nineteen (19) and seventeen (17) staff members are employed in each category respectively. However the recruitment process was curtailed since September 2019 due to the announcement of elections and the circulars issued by the Government thereafter.

CAASL has reported a turnover rate of 1.09% during the year under review.

Staff Welfare

Staff Welfare Facilities

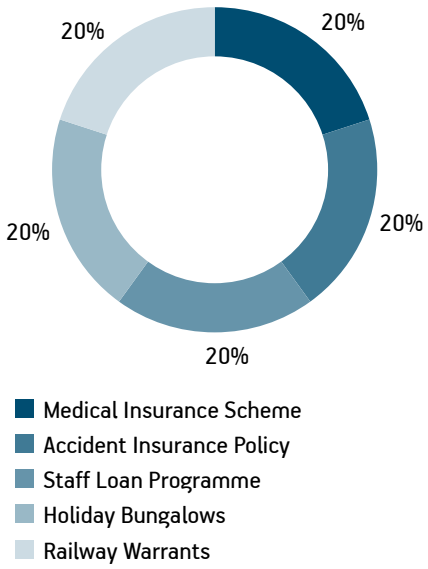


Figure 02 – Staff Welfare Facilities

Irrespective of the increase in the number of staff members, CAASL continued to provide a wide range of welfare facilities, presented in figure 02, that are essential for the well-being of the employees, which is a primary concern of the Authority.

The Medical Insurance Scheme remained the most frequently availed welfare facility offered to employees and their immediate family members.

During the year a total of one thousand seven hundred and seventy one (1771) claims have been made under Out Door patient benefits amounting to five million three hundred sixty-eight thousand sixty-three rupees and ninety cents (Rs. 5,368,063.96) for the policy period from January 2019 till December 2019. Subsequently, 33 medical insurance indoor claims, valued at one million four hundred three thousand seven hundred ninety-two rupees and ninety-eight cents (Rs. 1,403,792.98) have also been granted to employees during the same period.

The Accident Insurance Policy was renewed with Sri Lanka Insurance Corporation, with a special coverage for the Inspectors to cover the possibility of facing situations harmful to their health, safety, and security.

As depicted in Figure 03, the staff loan programme established by the Authority has been providing an enormous financial support to staff members.

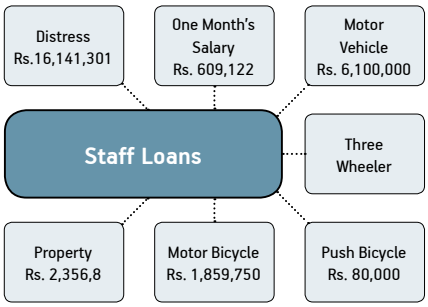


Figure 03 – Loan Profile

The staff of the CAASL were also facilitated with grant of loans and a sum of sixteen million one hundred forty-one thousand three hundred one rupees and forty cents (Rs. 16,141,301.40) was granted as Distress loans for 48 employees during the year 2019. Besides this, a sum of six million one hundred thousand rupees (Rs. 6,100,000) was provided as loans to purchase motor vehicles and a sum of one million eight hundred fifty-nine thousand seven hundred fifty rupees (Rs. 1,859,750) was given to seven (7) employees as motor bike loans. Additionally, the Authority has supported four staff members to purchase push bicycles through providing eighty thousand rupees (Rs. 80,000) in the year under review.

Correspondingly, a property loan scheme has been established for the staff members to fulfill their financial requirements with the assistance of the Authority. In 2019, two (2) staff members have been benefited through the property loan scheme and were granted two million three hundred fifty-six thousand eight hundred nine rupees and thirty-six cents (Rs. 2,356,809.36).

Festival advance was issued to ninety four (94) staff members amounting to one million four hundred and ten thousand rupees (Rs. 1,410,000) during the year. Additionally, seven hundred thousand rupees (Rs. 700,000) has been issued as a Special Distress Loan.

Apart from the primary welfare facilities, the Weerawila Bungalow has been offered as a welfare facility to the staff. Further, towards the end of 2019, the newly-constructed Batticaloa holiday bungalow has been made available to the staff, expanding the existing welfare facilities.

Enhancing the regime of welfare facilities, in year 2019, three (3) railway warrants have been issued to staff members.

Training, Seminars, Workshops, Meetings and Conferences

The CAASL continued to invest in human capital development and implement effective workforce aligned around its vision to ensure that the employees are developing the skills and knowledge required for the future success of the Authority. The training portfolio consisted of local and foreign training, seminars and workshops during the year under review with the intention of developing and harnessing human talent. Further, CAASL staff members have been sent for various meetings, conferences and symposiums to represent the Authority as well as the country.

Despite the limitations on approval from the line Ministry which prevails on training and development of personnel abroad, seventeen million forty-three thousand twenty-two rupees and seventeen cents (Rs. 17,043,022.17) has been spent on human resource development programmes held locally and internationally.

The encouragement received from the management has extended the capacity of providing opportunities of training, seminars and workshops and the statistics depict fifty four (54) total training and statistics depict a 42% increase in the total trainings compared to the previous year.

Training, Seminars and Workshops

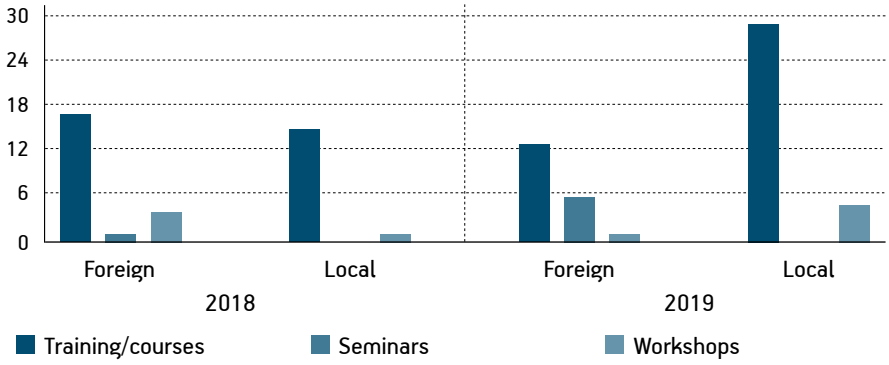


Figure 04 Training, Seminars, and Workshops

The dynamic nature of the aviation industry challenges its professionals to acquire the most updated skills and competencies. Hence, twenty (20) foreign trainings and thirty four (34) local trainings were carried out and one hundred and ninety five (195) staff members have been trained in obtaining the required updated knowledge on the latest trends.

Similarly, a total of forty nine (49) staff members participated in various meetings, conferences, inspections and symposiums held locally as well as in foreign countries.

Meetings, Conferences & Symposiums

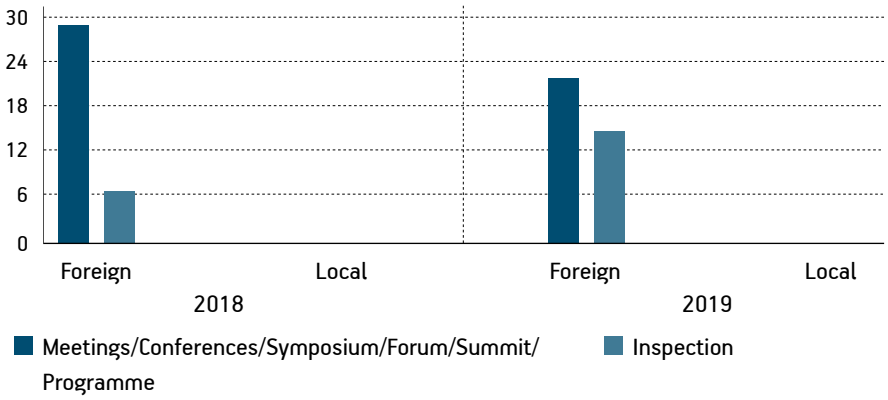


Figure 05 – Meetings, Conferences and Symposiums

Common training needs of the staff have been identified and special training has been provided for the staff category of Managers, spending one million two hundred fifty-five thousand one hundred fifty-eight rupees and thirty-three cents (Rs. 1,255,158.33) captioned "Induction Training for Managers". Four hundred thirty-seven thousand four hundred rupees (Rs. 437,400) has been spent for the programme on "Power of Positive Thinking" for Enforcement/Operational/Extension staff and five hundred eighty-five thousand rupees (Rs. 585,000) has been spent on "Advance Excel programme" conducted to uplift their skills in MS Excel programme.

Technical Library

The Technical Library functions as the hub for knowledge seekers and offers current and extensive information on the global aviation industry, including updates on aviation regulations.

Throughout the year under review, seventy five (75) external users have utilised the facilities of the Technical Library and a sum of five hundred forty-one thousand one hundred forty-nine rupees and forty-eight cents (Rs. 541,149.48) was spent on the purchase of new publications for the library for 2019. In addition, Sectional Libraries were continuously maintained by the main Technical Library with the intention of enhancing the dissemination of updates among staff. ICAO documents and publications have been downloaded and distributed, amounting to one thousand nine hundred forty-one (1941) and two hundred and eighty-six (286) respectively during the year and a total of two hundred and fifty-eight (258) State letters have also been distributed among relevant sections/divisions.

CAASL Website

The website is an essential source of disseminating information to the general public. The CAASL website was updated incorporating easy access and user friendly features through revamping and has been visited by one hundred twenty-five thousand one hundred fifty-two (125,152) users, indicating interest among the public on the information relating to civil aviation published in the website.

Property Management Activities

Corporate Affairs and Property Management of the HRPM Section continues to contribute to the prime objective of the Authority through managing facilities efficiently and effectively. The section further provides a diversified profile of services to other divisions in order to maintain uninterrupted working processes through facilitation.

According to the provisions of Extraordinary Gazette No. 1973/78 dated 01/07/2016, CAASL has initiated registration of the identified properties vested to CAASL including Bandaranaike International Airport, associated properties, Batticaloa Airport, Ratmalana Airport, etc. (Refer Figure 06)

Aerodromes vested to Civil Aviation Authority of Sri Lanka under Civil Aviation Act No. 34 of 2002	Katunayake Airport
	Ratmalana Airport
	Palali Airport
	Ampara Airport
	Batticaloa Airport
	Anuradhapura Airport
	Weerawila Airport
	Puttalam Airport
	Koggala Airport
	Sigiriya Airport
	Katukurunda Airport
	Vavuniya Airport
	Trincomalee Airport
	Hingurakgoda Airport

Figure 6 Aerodromes vested to Civil Aviation Authority of Sri Lanka under Civil Aviation Act No. 34 of 2002

Abans Environmental Services (Pvt) Ltd. provided janitorial services to CAASL during the year for a sum of seven hundred eighty-three thousand five hundred and sixty-four rupees (Rs. 783,564) (without taxes) per month. A mechanism to monitor the services of the company was also developed.

A CAASL office was established at a new location at Ratmalana Airport premises as a sub office. The maintenance activities of CAA office at Mattala were been conducted as per the scheduled frequencies and unexpected breakdowns were promptly attended to avoid any disruption to daily activities.

FINANCE AND REVENUE MANAGEMENT SECTION

Programme Budget

The Programme Budget – 2019, sets out the expenditure of the ensuing year under four major programmes viz. Direction and Management, Air Space and Aviation Security Regulation, Flight Safety Regulation and Corporate Affairs and Economic Regulation. The forecast revised income calculated as Rs. 2,623 million as against the revised estimated recurrent and capital expenditure of Rs. 2,206 million. The estimated expenditure has shown an increase of 15% compared to the previous year's estimated expenditure and the forecast revenue has shown an increase of 7% compared to the previous year's estimated revenue.

CAASL Revenue and Expenditure

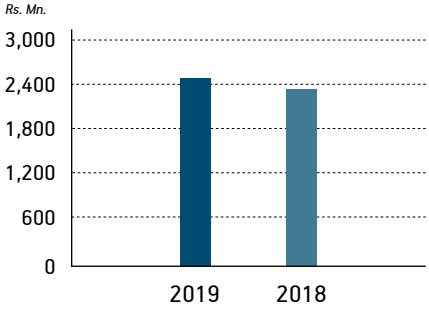
CAASL revenue has shown a 6% increase when compared to the previous year actual income amounting to Rs. 2,360 Mn to Rs. 2, 504 Mn. A significant increase can be seen from the income received from Overseas Sales Surcharge and Service Charge of Embarkation Levy.

The actual expenditure has shown an increase of 14% compared to last year's actual expenditure.

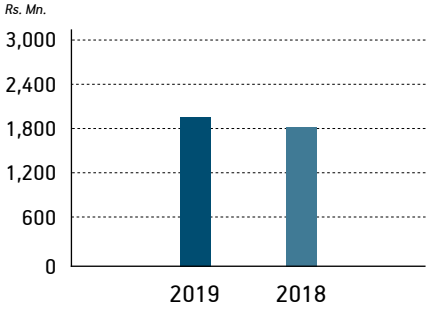
Management Information

The Financial Statements have been prepared in accordance with the Sri Lanka Financial Reporting Standards.

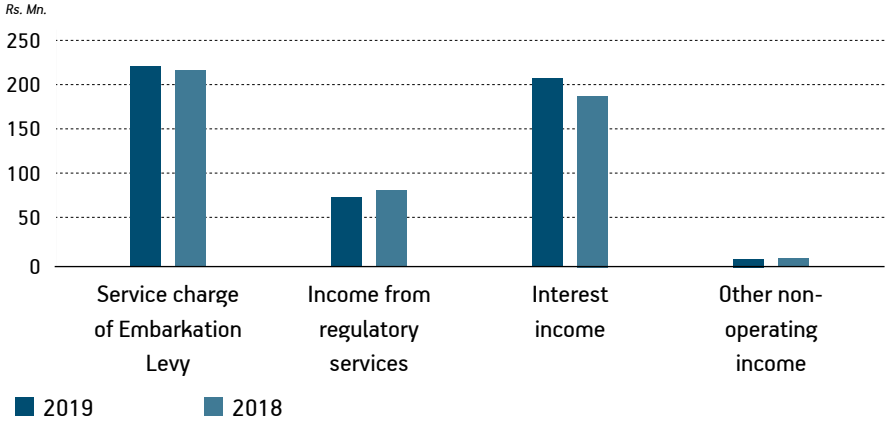
Total Income 2019 Vs 2018



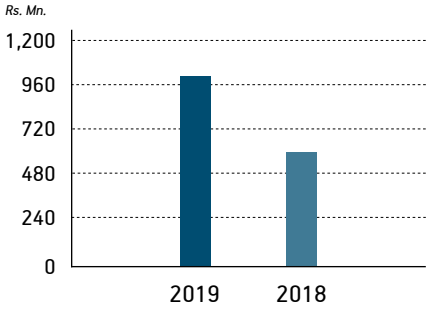
OSS Income 2019 Vs 2018



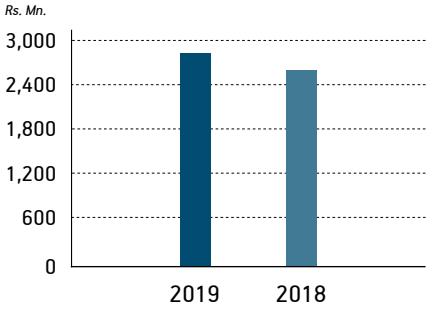
Income 2019 Vs 2018



Capital Expenditure – 2019 Vs 2018



Recurrent Expenditure –2019 Vs 2018



Performances of CAASL

Safety and Security Oversight Duties and Functions (No. of Regulations/Notices/Rules Issued)	2019	2018
Aircraft Operations	3	19
Aircraft Registration & Airworthiness	0	1
Aerodromes	0	0
Air Navigation Services	13	7
Aviation Security	4	3
Training Organisation & Personnel Licensing	0	0

Initial Certification of Organisations/Personnel	2019	2018
Airlines (Foreign)	8	6
Maintenance Organisations	2	7
Pilots	246	239
Air Traffic Controllers	2	15
Aircraft Maintenance License Holders	73	67
Flight Operations Officers (Flight Dispatchers)	2	4
Flight Instructors	1	0
Assistant Flight Instructors	7	5
Ground Instructors	9	9
Cabin Crew Members	76	66
Flying School License	0	0

Surveillance of Certified Organisations/Personnel	2019	2018
Ramp Inspections – Airworthiness	137	65
Ramp Inspections – Operations	61	61
Aerodrome Inspections	42	39
Air Traffic Service Inspections	36	34
Aircraft Maintenance Organisation Inspections	15	35
Flying Training School Inspections	24	24
Conduct of Aviation Security Surveillance Activities (Inspections, Audits, Surveys, Tests)	65	46
Simulator Inspections	2	3
En-route Inspections	9	12
Dangerous Goods Inspections	17	27
Station Facility Inspections – Operations	2	2
Aeronautical Information Services Inspections	15	16
Main Base Inspections/Instructor Observations	12	11
Designated Check Pilots (DCP Monitoring)	20	29

Audit Completed	2019	2018
Aviation Security	2	1

Aviation Safety Monitoring Unit	2019	2018
Incidents (Serious/Minor) Reported	10	4
Accidents Reported	0	0
Occurrence Reported	315	296
Serious Injuries to Passengers or Crew	1	0
Minor Injuries to Passengers or Crew	3	11
New Regulations Produced	1	0
Existing Guidance Materials Revised	0	4
New IS Produced	1	0
Existing IS Revised	5	3
Drone Registered – Local owners	138	195
Drone Registered – Foreign owners	156	308
Accident/Incident Verifications on License Holders	58	49

Legal Affairs & Enforcement (LA&E) Unit	2019	2018
Legislations	0	2
Regulations Issued/Reviewed/Submitted to Legal Draftsman	7	8
Agreements/MOU	17	24
No. of Consultations Participated at the Attorney General's Department/Legal Draftsman's Department	19	20
Provisions of Legal Advice to CAASL/DGCA on Legal Matters	22	10
Court Appearances	22	33
Legal Documents Prepared	11	9

Information Communication & Technology (ICT) Unit	2019	2018
No. of Complaints – Help Desk Support	3,904	3,344
No. of Resolved Complaints – Help Desk Support	3,904	3,344
Evaluations Conducted for New IT Equipment Purchased	24	18
No. of Forms Planned – SDMS	22	*
No. of Forms Created – SDMS	17	*

** New Indicator (SDMS commenced in 2019)*

Direction and Management Section	2019	2018
Authority Meetings	9	9
Audit Committee Meetings	3	4
Staff Committee Meeting	3	2
Industry Consultative Meeting	92	65
Appointment to Outside, Organisation/Personal	203	239
Number of Letters Received	6,616	5,141

Quality & Internal Audit Section	2019	2018
Audits Conducted	122	103
Findings Raised	171	143

Environment, Research and Project Section	2019	2018
International Airline Statistical Reports	389	382
Domestic Airline Statistical Reports	96	76
International Airport Statistical Reports	26	24
Domestic Airport Statistical Reports	24	22
ICAO Reporting Forms Sent	60	90
Training Organisation Statistical Reports	12	12
CAASL Work Performance Statistical Reports	12	12
Provisions of Statistics for Government Institutions/General Public/Other Sections in CAASL	27	14
Bids/RFP (Request for Proposals) Issued	3	3
Awarded Contracts	2	4
Prepared CAASL Board Papers	4	3
Administration Support to CAASL Workshops/Functions/Events/Special Days	5	8
Administrative Support to Organising Meetings/Trainings/Seminars/Workshops (Aviation)	6	10
NGAP Sri Lanka Committee Meetings	14	23
Publish Guwansara Magazine	3	2
CADEC Programme Conducted	3	7
Workshops for School Students	4	4
Conduct of Special Activities and Awareness Programmes	3	4
Press Articles	30	27
TV Programmes	35	37
Other Publications/Reports	33	22

Aerodromes and Facilitation Section	2019	2018
No. of Tower Approvals	189	406
Approvals for Construction of High Rise Structures	194	242
Approval for Land Airports	1	0
Aerodrome Surveillance Carried Out	42	39

Air Navigation Services Section	2019	2018
ATS Inspections Conducted	36	34
AIS Inspections Conducted	15	16
SAR Inspections Conducted	4	5
CNS Inspections Conducted	28	36
MET Inspections Conducted	6	10
Maps & Charts Inspections Conducted	4	3
PANS-OPS Inspections Conducted	2	2
Approvals for Issuances of NOTAM	364	443
AIP Supplement Issued	11	5
AIP Amendment	3	2
Number of Aerial Works Approval	99	129
No. of AIC Issued	3	5
Landing Clearances issued	1,170	831
Overflying Clearances issued	1,283	997
No. of Non-Schedule Flights Approvals	1,684	1,687
AFTN Dispatched	1,486	1,675
AFTN Received	4,004	3,796
No. of Exemption Landing & Parking Charges	6	6
No. of No Objection Notes for Diplomatic Flight (Landing)	168	150
No. of No Objection Notes for Diplomatic Flight (Overflying)	77	70
No. of Movements at VCRI	786	894
No. of Movements at VCBI	71,973	74,512

Training Organisations and Personnel Licensing Section	2019	2018
Student Pilot Licenses (SPL) (Issuance + Renewals)	260	216
Private Pilot Licenses (PPL) (Issuance + Renewals)	146	133
Commercial Pilot Licenses (CPL) (Issuance + Renewals)	321	258
Airline Transport Pilot Licenses (ATPL) (Issuance + Renewals)	400	322
Air Traffic Controller Licenses (ATC) (Issuance + Renewals)	68	43
Aircraft Maintenance Engineer Licenses (Issuance + Renewals)	2	0
Aircraft Maintenance License (Issuance + Renewals)	432	508
Aircraft Maintenance License – Type Ratings (Issuances)	113	145
Aircraft Maintenance License – Categories (Issuances)	10	26
Cabin Crew Certificate (Issuance + Renewals)	245	509
Flight Operation Officer License (Issuance + Renewals)	3	4

Training Organisations and Personnel Licensing Section	2019	2018
Aircraft type Rating for Commercial Pilot License (CPL) & Airline Transport Pilot Licenses (ATPL) Issuances	105	146
Assistant Flight Instructor (AFI) & Flight Instructor (FI) Rating – (Issuance + Renewals)	10	20
Flying School Licenses (Issuance + Renewals)	13	12
Ground Instructor License (Issuance + Renewals)	17	16
Ground Instructor Approvals (Issuance + Renewals)	20	16
Air Traffic Controllers Rating (Issuances + Renewals)	155	160
Issuance of Visa Recommendations	7	22
Issuance of NIB Clearances	96	68
Medical Examinations	2,686	2,330
PPL Examination (No. of Papers)	727	537
Flight Operations Officer Examination	1	15
AML Examination (No. of Exams)	2	2
AML Examination (No. of Papers)	2,069	3,049
ATPL (A) Examination (No. of Papers)	91	65
ATPL – A No. of Papers delivered	1,178	1,272
ATPL (H) Examination	1	5
ATPL (H) Examination (No. of Papers)	7	6
English Language Proficiency Check (ELPC)	180	125
Reactivation of Lapsed License Examination (CPL/IR)	0	1
Radio Telephony Practical Test	104	66
Assistant Flight Instructor Examination (Theory & Viva)	16	13

Aircraft Operations Section	2019	2018
Special Operations	4	2
Foreign Air Operator Certificate – Initial	8	6
Foreign Air Operator Certificate – Renewal	34	28
Dangerous Goods transport Licenses – Initial	0	0
Dangerous Goods transport Licenses – Renewal	17	13
DCP Initial	3	7
DCP Renewal	14	21
International Air Operator Certificate – Renewal	2	2
Simulator Renewal	3	3
Check Authorisation	114	132
Surveillance Activities Performed	126	206

Aircraft Registration & Airworthiness Section	2019	2018
Ramp Inspection – Airworthiness	185	65
Aircraft Maintenance Organisation Inspection	15	35
Surveillance Activities Carried Out (Ramp, Audit)	254	171
Certificate of Airworthiness of Aircrafts – Initial	7	6
Certificate of Airworthiness of Aircrafts – Renewal	56	69
Certificate of Registration of Aircrafts – Initial	6	4
Certificate of Registration of Aircrafts – Renewal	76	67
Resolution of Aviation Occurrences	174	138

Aviation Security Section	2019	2018
Reviews/Amendments – NCASP & Subsidiary Documents	17	4
Evaluations/Reviews – Local Airline/Airport Operator Aviation Security Programme	3	3
Evaluations/Reviews – Foreign Airline Operator Aviation Security Programme	41	38
Evaluations/Reviews – Aviation Security Training Programme/Syllabuses	5	4
Conduct of Aviation Security Surveillance Activities (Inspections, Audits, Surveys, Tests)	65	46
Certification and Re-Certification of Aviation Security Managers	22	17
Certification and Re-Certification of Aviation Security Instructors	7	12
Certification and Re-Certification of Aviation Security Screeners	806	385
Approval for Carriage of Weapons on Board/Cargo Holds of an Aircraft	200	216
Recommendation for Issuance of Airport Access Permits	145	219
Conduct of Aviation Security Training/Lectures/Presentation	4	1
Providing Expertise Services to Government & Other Agencies	4	1

Human Resources & Property Management Section	2019	2018
Staff Recruitments	13	17
Total Staff (on Permanent Cadre)	181	179
Foreign Trainings/Seminars/Workshops Facilitated	20	22
Foreign Meeting/Conferences/Symposiums Facilitated	22	29
Foreign Inspections Facilitated	15	7
Local Trainings/Seminars/Workshops Facilitated	34	15
Local In-house Training Programmes Facilitated (Including Indoctrinations)	7	6
Performance Evaluations Processed	158	118
Staff Loans Facilitated (Rs. million)	74	42
ICAO Documents Accessed & Updated	970	3,793

Revenue & Finance Management Section	2019	2018
Total Revenue Collected (Rs. Million)	**2,504**	2,360
Total Expenditure Incurred (Rs. Million)	**631**	552
Total Staff Expenses Paid (Rs. Million)	**333**	312

Air Transport & Economic Regulation Section	2019	2018
Domestic Flight Schedule Approvals	**25**	18
Evaluations Conducted for Air Transport Providers	**89**	55
International Flight Schedule Approvals	**322**	321
Visa Recommendations for Non-Technical Experts Staff	**87**	98
Charter License for Sri Lanka Registered Airline	**8**	12
Airline License for Sri Lanka Registered Airline	**2**	4
Charter Licenses – International Operations	**2**	2
Charter Licenses – Domestic Regular Operations	**4**	10
Air Transport Provider's Licenses	**483**	520
Private Operations License	**1**	1
New Air Service Agreements Entered	**0**	1
Existing Air Service Agreements Reviewed	**0**	1
Open Skies Air Services Agreements at the End of the Year	**19**	19

TRAFFIC PARTICULARS

	2019	2018	Growth
International Traffic			
Passengers			
Embarked	**4,970,184**	5,389,082	-8%
Disembarked	**4,930,455**	5,409,587	-9%
In Transit	**1,741,201**	1,705,886	2%
Cargo (Metric Tons)			
In Bound	**94,859**	106,485	-11%
Out Bound	**151,547**	162,011	-6%
Aircraft Movements			
Scheduled Flights	**60,883**	66,175	-8%
Charters Flights	**992**	983	1%
Number of airline operated			
Scheduled Services	**38**	35	9%
Charters	**7**	12	-42%
All Cargo	**4**	4	0%
Domestic Traffic			
Passengers Carried	**24,313**	30,725	-21%
Aircraft Movements	**5,635**	6,831	-18%
Number of Airlines Operated	**10**	11	-9%
Scheduled Flights	**2**	3	-33%
Charter Flights	**8**	8	0%

"SAFE AND EFFICIENT SKIES FOR ALL"

STATEMENT OF PROFIT OR LOSS

For the year ended 31st December 2019	Note	**2019 Rs.**	2018 Rs.
Income		**2,504,055,558**	2,360,199,800
Operating Income	23	**2,288,452,284**	2,162,045,090
Non-Operating Income	24	**215,603,274**	198,154,710
Expenditure		**630,992,394**	551,895,155
Staff Expenses	25	**333,482,977**	312,201,525
Meetings, Seminars and Workshops	26	**24,497,924**	21,032,524
Training Expenses	27	**18,227,802**	17,327,535
Administration and Other Expenses	28	**190,867,775**	171,125,308
Depreciation	30	**63,817,302**	30,148,089
Amortisation of Intangible Assets	31	**98,614**	60,174
Profit from Ordinary Activities before Taxation		**1,873,063,164**	1,808,304,644
Taxation	29	**524,261,818**	508,161,583
Net Profit for the Year		**1,348,801,346**	1,300,143,061

STATEMENT OF FINANCIAL POSITION

As at 31st December 2019	Note	2019 Rs.	2018 Rs.
Assets		**6,544,878,653**	5,579,129,707
Non-Current Assets		**2,860,991,566**	1,912,289,536
Property, Plant & Equipment	30	**1,672,783,311**	795,410,652
Intangible Assets	31	**1,840,090**	1,668,976
Work in Progress – Capital	32	**1,185,859,250**	1,114,700,993
Fixed Deposit – Staff Welfare & Social Security Fund		**508,915**	508,915
Current Assets		**3,683,887,087**	3,666,840,171
Inventories		**6,203,222**	6,815,096
Trade Receivables	33	**124,517,937**	127,643,810
Staff Loans	34	**58,518,714**	46,715,928
Financial Assets	35	**862,000,918**	1,327,161,961
Advances, Prepayments and Other Receivables	36	**484,355,603**	217,956,648
Cash and Cash Equivalents	37	**2,148,290,693**	1,940,546,728
Equity and Liabilities		**6,544,878,653**	5,579,129,707
Capital and Reserves		**4,112,833,539**	3,581,428,944
Government Grants	38	**567,094,016**	571,332,766
Accumulated Profit		**3,545,739,523**	3,010,096,178
Non-Current Liabilities		**163,304,403**	156,670,323
Deferred Tax Liabilities	39	**28,389,010**	28,584,877
Provisions and Other Liabilities	40	**94,454,283**	94,454,283
Retirement Benefits Obligation	41	**40,461,110**	33,631,163
Current Liabilities		**2,268,740,711**	1,841,030,440
Trade Payables	42	**2,032,226,872**	1,556,193,276
Other Payables	43	**25,691,653**	25,323,614
Income Tax Liabilities	44	**210,822,186**	259,513,550

The Notes to the Financial Statements on pages 79 to 97 form an integral part of these Financial Statements. These Financial Statements give a true and fair view of the state of affairs of the Authority as at 31st December 2019

Director – Finance and Revenue Management

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. These Financial Statements were approved by the Board of Directors and signed on their behalf.

H. M. C. Nimalsiri
Director General of Civil Aviation and
Chief Executive Officer

Upul Dharmadasa
Chairman

Civil Aviation Authority of Sri Lanka
28th February 2020

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2019	Government Grant Rs.	Revaluation Reserve Rs.	General Reserve Rs.	Accumulated Profit Rs.	Total Rs.
Balance as at 1st January 2018	575,571,516	7,000,418	1,150,000,000	1,402,952,699	3,135,524,633
Profit for the period	-	-	-	1,300,143,061	1,300,143,061
Transfer – Accident Investigation Fund	-	-	-	(50,000,000)	(50,000,000)
Transfer – General Reserve	-	-	(1,150,000,000)	1,150,000,000	-
Transfer – Revaluation Surplus	-	(7,000,418)	-	7,000,418	-
Amortisation for the year	(4,238,750)	-	-	-	(4,238,750)
Appropriation of net surplus – Consolidated Fund	-	-	-	(800,000,000)	(800,000,000)
Balance as at 31st December 2018	571,332,766	-	-	3,010,096,178	3,581,428,944
Profit for the Period	-	-	-	1,348,801,346	1,348,801,346
Disallowable VAT – 2003-2013				(13,158,001)	(13,158,001)
Amortisation for the Year	(4,238,750)	-	-	-	(4,238,750)
Appropriation of Net Surplus – Consolidated Fund	-	-	-	(800,000,000)	(800,000,000)
Balance as at 31st December 2019	567,094,016	-	-	3,545,739,523	4,112,833,539

STATEMENT OF CASH FLOW

For the year ended 31st December 2019	2019 Rs.	2018 Rs.
Cash Flows from Operating Activities		
Profit/(Loss) from Ordinary Activities before Taxation	**1,873,063,165**	1,808,304,645
Adjustments for		
Depreciation	**63,817,303**	30,148,089
Amortisation of Intangible Assets	**98,614**	60,174
Amortisation of Government Grant	**(4,238,750)**	(4,238,750)
Interest Income from Investments	**(197,681,316)**	(180,038,109)
(Profit)/Loss on Sales of Property, Plant & Equipment	**256,934**	2,441,427
Provision for Defined Benefit Plans	**7,964,547**	10,546,128
Operating Profit/(Loss) before Working Capital Changes	**1,743,280,497**	1,667,223,604
Increase in Inventories	**611,873**	(1,260,884)
(Increase)/Decrease in Trade Receivables	**3,125,874**	(4,208,611)
(Increase)/in Staff Loans	**(9,829,814)**	(19,248,326)
(Increase)/Decrease in Advances, Prepayments and Other Receivables	**(266,918,153)**	3,681,169
Increase in Trade and Other Payables	**476,401,635**	187,558,118
Cash Generated from Operations	**1,946,671,912**	1,833,745,070
Decrease of Staff Welfare & Social Security Fund	**-**	321,148
Disallowable VAT	**(13,158,001)**	-
Defined Benefit Plan Costs Paid (Gratuity)	**(1,134,600)**	(321,450)
Income Tax Paid	**(573,149,050)**	(428,107,607)
Net Cash From Operating Activities	**1,359,230,261**	1,405,637,161
Cash Flows from Investing Activities		
Acquisition of Property, Plant & Equipment	**(39,001,573)**	(85,173,581)
Acquisition of Intangible Assets	**(269,728)**	(148,000)
Increase in Work in Progress	**(973,603,580)**	(525,543,596)
Withdrawal/Acquisition of other Investments	**474,386,595**	220,415,852
Interest Received	**187,001,989**	178,929,837
Cash Received for Bank Guarantee	**-**	1,543,735
Withdrawal of Staff Welfare & Social Security Fund	**-**	(321,148)
Net Cash Used in Investing Activities	**(351,486,297)**	(210,296,901)

For the year ended 31st December 2019	2019 Rs.	2018 Rs.
Cash Flows from Financing Activities		
Contribution to Consolidation Fund	**(800,000,000)**	(800,000,000)
Net Cash Used in Financing Activities	**(800,000,000)**	(800,000,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	**207,743,965**	395,340,261
Cash and Cash Equivalents at the Beginning of the Year	**1,940,546,728**	1,545,206,468
Cash and Cash Equivalents at the End of the Year	**2,148,290,693**	1,940,546,728
Analysis of Cash & Cash Equivalents		
Cash at Bank		
Current Account: 000 202 6666	**140,739,958**	25,115,780
Current Account: 000 202 6678	**605,722,250**	825,430,948
Current Account: 234 100 190 023 731	**603,828,485**	-
Short-term Investments (Call Deposits)	**798,000,000**	1,090,000,000
	2,148,290,693	1,940,546,728

STATEMENT OF RESPONSIBILITY OF MANAGEMENT OF THE AUTHORITY TO FINANCIAL REPORTING

In terms of Section 14 & 15 of Civil Aviation Authority of Sri Lanka Act No. 34 of 2002, the Management of the Authority is responsible for,

(i) Keeping proper books of accounts of the income and expenditure, assets and liabilities and all other financial transactions of the Authority.

(ii) Preparing accounts in accordance with the Sri Lanka Accounting Standards adopted by the Institute of Chartered Accountants of Sri Lanka under the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 for the purpose of presenting a true and fair view of the financial performance and the financial condition of the Authority.

(iii) Taking appropriate steps to safeguard the assets of the Authority and to establish appropriate internal controls to prevent and detect frauds and other irregularities.

H. M. C. Nimalsiri
Director General of Civil Aviation and
Chief Executive Officer

Upul Dharmadasa
Chairman

Civil Aviation Authority of Sri Lanka
28th February 2020

1. General Information

1.1 Civil Aviation Authority of Sri Lanka having its registered office at No. 152/1, Minuwangoda Road, Katunayaka.

1.2 The Financial Statements of the Civil Aviation Authority of Sri Lanka for the year ended 31st December 2019 were authorised for issue in accordance with the resolution of the Civil Aviation Authority on 06th March 2020.

1.3 The Civil Aviation Authority of Sri Lanka was established under the Civil Aviation Authority Act No. 34 of 2002 on 27th December 2002 and is deemed a Statutory body, in which its functions are to regulate safety, efficiency and regularity in civil aviation and its impact on the environment in conformity with the applicable International Standards and Recommended Practices adopted by the International Civil Aviation Organisation under the legislative provisions in the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002 and Civil Aviation Act No.14 of 2010.

2. General Accounting Policies

2.1 Statement of Compliance

The Statement of Financial Position, Statement of Profit or Loss, Changes in Equity, Cash Flow and Notes together with summary of Significant Accounting Policies (the "Financial Statements") of the Authority have been prepared in accordance with Sri Lanka Accounting Standards (SLFRs) and (LKAS) as issued by The Institute of Chartered Accountants of Sri Lanka (CA), which represent International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standard Board. The Financial Statements have been prepared under the historical cost convention and financial assets were measured by fair value.

Responsibility for Financial Statements

The Management of the Civil Aviation Authority of Sri Lanka is responsible for the preparation and presentation of the Financial Statements.

2.2 Going Concern

When preparing the Financial Statements the Management has assessed the ability of the Authority to continue as a going concern. The Management has a reasonable expectation that the Authority has adequate resources to perform its legitimate duties and functions and continue in operational existence for the foreseeable future. The Authority does not foresee a need for liquidation or cessation of operations, taking into account all available information about the future. Accordingly, the Authority continues to adopt the going concern basis in preparing the Financial Statements.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Authority's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include judgment, estimate and assumptions.

Judgments

In the process of applying the Authority's accounting policies, Management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognised in the Financial Statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of discounted cash flows model and/or mathematical models. The inputs to these models are derived from observable market data where possible, and where observable market data are not available, judgment is required to establish fair values.

Changes in assumptions about these factors could affect the reported fair value of financial assets. Investment in Treasury bills are shown at their face value whereas previous years are shown at their cost.

The carrying value at the balance sheet date of financial assets (Treasury bills) is Rs. 876,313,834/- (2018 Rs. 1,350,700,429/-).

(b) Valuation of defined benefit obligation

The cost of defined benefit pension plans is determined using the formula method as per the Sri Lanka Accounting Standard 19 (LKAS).

The carrying value at the balance sheet date of defined benefit obligation is Rs. 40,461,111/- (2018: Rs. 33,631,163/-)

(c) Fair Value

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. When a financial instrument is initially recognised, its fair value is generally the value of the consideration paid or received. Subsequent to initial recognition, the fair value of a financial asset quoted in an active market is generally the bid price and, for a financial liability quoted in an active market, the fair value is generally the ask price. For financial instruments such as cash equivalents and short-term investments that have a short duration, the carrying value of these instruments approximates fair value.

(d) Income tax

The Authority is subject to income taxes and significant judgment is required in determining the overall provision for income taxes.

2.4 Functional and Presentation Currency

The functional currency of the Authority is determined to be Sri Lankan Rupees and the Financial Statements are also presented in Sri Lankan Rupees.

3. Specific Accounting Policies

3.1 Financial assets

The Authority classifies its financial assets into the following categories: loans and receivables, held to maturity and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

3.1.1 Classification

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arising from ordinary transactions are also classified in this category and are reviewed for impairment.

(b) Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Authority's management has the positive intention and ability to hold to maturity, other than: those that

- The Authority upon initial recognition designates as at fair value through profit or loss; or
- The Authority designates as available for sale; and
- That meets the definition of loans and receivables.

Interests on held-to-maturity investments are included in the Income Statement and are reported as 'Investment income'.

(c) Available-for-sale financial assets

Available-for-sale investments are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices or that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

3.1.2 Recognition and measurement

Financial assets are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from them have expired or where they have been transferred and the Authority has also transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as net realised gains/losses on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the Income Statement.

3.1.3 Determination of fair value

The fair value of loans and advances as well as liabilities to banks and customers are determined using a present value model on the basis of contractually agreed cash flows, taking into account credit quality, liquidity and costs.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

3.1.4 De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) The Authority has transferred substantially all the risks and rewards of the asset, or

(b) The Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Authority's continuing involvement in it. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

4. Property, Plant and Equipment

4.1 Cost/Revaluation

Property and equipment, including owner-occupied property, is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The cost of property and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its condition for its intended use. Where items of property and equipment are subsequently re-valued, the entire class of such assets is re-valued. The Authority has changed the policy of revaluing assets every three years to every five years with effect from 2014. However, when the fair value of assets subject to revaluation defers materially from the carrying amount a further revaluation is done.

When an asset is re-valued, any increase in the carrying amount is credited directly to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement. Any revaluation deficit that offsets a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve and any excess recognised as an expense. Upon disposal, any revaluation reserve relating to the asset sold is transferred to retained earnings.

4.2 Property, Plant and Equipment transferred from General Treasury/ Government are stated at the fair value as of the date of receipt of the assets (valuation was done in 2003). For the purpose IFRS conversion, revalued amounts of the said assets have been considered deemed cost as at 1st January 2011.

4.3 Classification changes has been identified during the year and reclassification has been done accordingly which is depicted in Note No. 30 and 31 as per the LKAS 1. Above Reclassification did not affect the profit.

4.4 In view of the necessity to develop Ratmalana Airport for civil use the Cabinet of Ministers has granted approval to relocate SLAF Y-12 Hangars, MA-60 Hanger, B-200 Hangar together with parking aprons at Ratmalana from the current premises to the northern premises. The Cabinet of Ministers has authorised CAASL to remit a sum of Rs. 650 Mn out of surplus to SLAF as cost of relocation.

The cost of Rs. 430,392,493/- remitted by CAASL to SLAF up to 31,12,2019, has been stated under "Work in Progress – Capital" in Financial Statements.

4.5 The Cabinet of Ministers in terms of its decision taken on 29th January 2019, which has been revised by its subsequent decisions taken on 05th February and 02nd April, has granted approval for development of Palaly Airport for operation of regional commercial flights using domestic funds composed of Rs. 900 million and Rs. 1,050 million contributed by CAASL and Sri Lanka Tourism Development Fund (SLTDA) respectively.

The cost of Rs. 754,474,756/- borne by CAASL up to 31st December 2019, has stated under the "Work in Progress – Capital" in Financial Statements and advance payments of Rs. 170,621,991/- under Advance – Palaly.

The Cabinet of Ministers in terms of its decision taken on 11th October 2019 has approved to retain the Embarkation Levy remittance of Civil Aviation Authority of Sri Lanka (CAASL) to Sri Lanka Tourism Development Authority (SLTDA) up to Rs. 1,050/- million to be used for development of Jaffna (Palaly) International Airport for operation of regional commercial flights. Rs. 313,018,894/- which has retained up to 31st December 2019 has stated under "Deposit – Jaffna International Airport Development – SLTDA".

4.6 In terms of section 9 of the Civil Aviation Authority Act No. 34 of 2002 the Hon. Minister of Transport and Civil Aviation has published a Gazette Notification 1973/78 dated 1st July 2016 to transfer and vest Baticaloa with the Civil Aviation Authority of Sri Lanka. Accordingly land and buildings were taken to the CAA Asset Register in year 2017 and 2018. These properties have been leased to Airport and Aviation Services Sri Lanka (Ltd.) for operation.

4.7 By virtue of the powers vested under section 9 of the Civil Aviation Authority of Sri Lanka Act, No. 34 of 2002, the Minister of Transport and Civil Aviation, has made an Order by Extraordinary Gazette No: 2050/38 dated 21st December 2017 to transfer and vest in the Civil Aviation Authority of Sri Lanka the following aerodromes, specified in the Second Schedule and the aeronautical facilities and the land appertaining thereto specified in the Third Schedule of the aforementioned Act, that are specified in the Schedule hereto with immediate effect.

Aerodromes (Specified in the Second Schedule)

(i) Katunayake Airport

(ii) Ratmalana Airport

Aeronautical Facilities and Land Appertaining Thereto (Specified in the Third Schedule)

(i) The Civil Aviation Training Centre at Kandawala Road, Ratmalana, the building and structures thereon and the land appertaining thereto.

(ii) The Aeronautical Communication Transmission Station at Attidiya, Ratmalana, the buildings and structures thereon and the land appertaining thereto.

(iii) The Radio Navigational Aid for Bandaranaike International Airport located at Madampella, Gampaha, the buildings and structures thereon and the land appertaining thereto.

(iv) The Radio Navigation Aid for the runway at Bandaranaike International Airport located at Kapungoda, Pamunugama in Gampaha, the buildings and structures thereon and the land appertaining thereto

(v) The Radar Station located at Mount Piduruthalagala, the buildings and structures thereon and the land appertaining thereto.

(vi) The Land at Piduruthalaga, in Nuwara Eliya District where the holiday bungalows for aviation staff have been constructed, including any structures thereon or appertaining thereto.

(vii) The block of land of 0.125 hectares in extent bearing parcel No. 976, which is situated in Anuradhapura New Town, No. 249 Stage II – Gramasevaka Division, of Nuwaragampalatha East Divisional Secretariat Division of Anuradhapura District.

Value of the above properties will be taken in to CAASL Asset Register once the survey plans and valuations are finalised and assets transferred in terms of Civil Aviation Authority Act No. 34 of 2002.

4.8 Capital Work in Progress

Capital Work in Progress is stated at cost. These are capital nature expenses directly incurred in the construction of buildings and system developments awaiting capitalisation.

These expenses will be taken to CAASL Asset Register upon the receipt of Completion Certificate or when the asset is available to use.

4.9 Depreciation

The provision for depreciation is calculated on the straight-line basis on the cost/valuation (less 10% of the residual value of the cost/valuation of the asset) of the Property, Plant and Equipment. All Property, Plant and Equipment other than land have been

depreciated annually on the following percentages in order to write off such amounts over the useful lives.

Buildings	6 2/3%
Motor Vehicles	12.5%
Plant, Machinery & Equipment	25%
Furniture & Fittings	25%
Other Fixed Assets	25%

Depreciation has been charged to the profit & loss account on proportionate basis commencing from the date of asset available to use and 10% of the cost/revaluation amounts have been retained as residual value in determining the depreciable amount of the individual assets.

During the year under review, the economic life time of the property, plant and equipment were reassessed as required by the LKAS 16 based on the best of the information available. As a result depreciation rates were changed for some property, plant and equipment. The resulting impact of change in economic life time of the assets will be adjusted in the Financial Statements commencing from the 2012 onwards.

Effective lifetime of motor vehicles were reassessed and depreciation rate was revised from 25% to 12.5% for the motor vehicles purchased after 2008. Rate of depreciation of motor vehicles purchased before 2008 remained unchanged as those vehicles have been condemned and are in disposal process.

4.10 De-recognition

Items of property and equipment are de-recognised upon disposal or when no future economic benefits are expected from its use. Gain or loss arising on de-recognition of an item of property, plant and equipment is determined as the difference between the sales proceed and the carrying amount of the asset and is recognised in the Income Statement.

4.11 Impairment of Tangible Assets

At the end of each reporting period, the Authority reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The Recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

5. Intangible Assets

Cost model will be applied in measurement of intangible assets.

The provision for amortisation is calculated on the straight-line basis on the cost (less 10% of the residual value of the cost of the asset) of IT software. All IT software is amortised annually at the rate of 50% in order to write off such amounts over their useful lifetime.

The useful life time of intangible assets will be reviewed from time to time.

6. Inventories

All inventories have been valued at lower Cost or Net Realisable Value. Cost is determined based on First in First out basis. (FIFO).

7. Other Assets

Other assets include Other Debtors and Receivables, Advances, Deposits, Prepayments, Taxation Receivable.

(a) Advances, Deposits, Prepaid Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as advances, deposits and prepaid expenditure. Such expenditure is written off over the period, to which it relates, on a time proportion basis.

(b) Other Debtors

Other debtors are recognised at cost, less impairment loss.

(c) Taxation Receivable

Taxation receivable is recognised at cost.

(d) Prepaid Staff Cost

This represents the balance arising from the staff loans given at concessionary rates to the employees of the Authority.

(e) VAT Receivable

Although Rs.152,208,634/- has been included in the Financial Statements 2018 as receivables, the final VAT audited report has not been received from the Department of Inland Revenue.

8. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are held for the purpose of meeting short-term cash commitments.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks. Investments with short maturities are also treated as cash equivalents. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

CAASL has opened Fund Management Accounts with Bank of Ceylon for the CAA official current Account No: 00002026666 operating at Bank of Ceylon Katunayaka IPZ branch and Embarkation Levy collection Account No. 324100190023731 at People's Bank Seeduwa Branch with the approval of the Board of Directors to make overnight investments of cash balance at the end of each day in the money market. The CAASL has earned interest income of Rs. 7,215,956 /- through these short term investments.

9. Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Pursuant to Section 7 (h) of the Civil Aviation Authority Act No. 34 of 2002, the Authority has been vested with the power, function and duty to initiate investigations on aircraft accidents and incidents and arrange for the provision of search and rescue operations. This has been further elaborated by the provision in the Civil Aviation Act No. 14 of 2010 vide Chapter VI, Sections 53, 54 & 55.

Sri Lanka, being an island with vast oceanic airspace and with an ever-increasing number of aircraft movements overflying the territory and the oceanic airspace and also operating into and out of the country, there is an uncompromising obligation of the CAASL to maintain a sufficient reserve fund to meet the tasks involved in aircraft accident investigation and search and rescue operations.

As such, a discussion paper (DP/May/2018/03 (a)) was tabled at the 145th CAASL Board Meeting which was held on 30th May 2018, in order to have an allocation of Rs. 50 million as reserved funds to be used for aircraft accident investigation and search and rescue operations.

9.1 Employee Benefits

Defined Contribution Plans

Employees are eligible for Employees' Provident Fund (EPF) contributions and Employees' Trust Fund (ETF) contributions in line with the respective statutes and regulations. The Authority pays fixed contributions of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund and will have no legal or constructive obligation to pay further amounts.

Defined Benefit Plans

Defined benefit plans are post-employment plans other than defined contribution plans. The Authority is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983. A provision for the obligations under the Act is determined based on the full month salary multiplied by number of years in service and calculations are based on the formula method as of LKAS 19.

9.2 Staff Welfare and Social Security Fund

The Staff Welfare and Social Security Fund has been created in terms of section 20(5) of the Civil Aviation Authority of Sri Lanka Act No. 34 of 2002, in respect of public officers, who have retired from public service and joined the Civil Aviation Authority. The amount lying in the name of each retired officer with accumulated interest will be released at the time of retirement from the Civil Aviation Authority of Sri Lanka.

10. Financial Liabilities

10.1 Initial Recognition and Measurement

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss or loans and borrowings as appropriate. The Authority determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs. The Authority's financial liabilities include trade and other payables.

11. Other Liabilities

Other liabilities include other creditors including accrued expenditure. These are stated at their historical value which is deemed to be their fair value.

12. Income Recognition

12.1 In terms of section 12 of Civil Aviation Authority Act No. 34 of 2002, the Authority shall have its own Fund and all money received by the Authority under section 12(2) shall be paid into that fund. The money received under section 12(2) has been classified under income in Financial Statements for presentation purposes to comply with the SLFRS 15.

12.2 Overseas sales surcharge/service charge of embarkation levy/initial issues and the renewal of licenses/amendments to airline license/regulator service fees/ examination fees.

Revenue from above services/fees is recognised at fair value in the period in which the related services are rendered.

12.3 Income received from airfare and ticketing course, administrative fine and sale of centenary aviation book, which was categorised under Operating Income in 2015 have been categorised under Non-Operating Income in 2016.

12.4 Interest Income

Interest income for all interest-bearing financial instruments including financial instruments measured at fair value through profit or loss, are recognised within 'investment income' in the income statement using the effective interest rate method. When a receivable is impaired, the Authority reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

12.5 Other Income

Other income is recognised on an accrual basis.

13. Expenses Recognition

All expenses are measured at fair value of the consideration given and recognised in the period to which those expenses relate.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period and are treated as a change in an accounting estimate.

14. Borrowing Costs

Borrowing costs are interest and other costs incurred by the Authority in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

15. Current and Deferred Income Tax

15.1 The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the taxation authorities in respect of the current as well as prior years. The tax rates and tax laws used to compute the amount are those that

are enacted or subsequently enacted by the statement of financial position date. Accordingly, provision for taxation is made based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and the amendments thereto.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Authority controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

15.2 The Analysis for Deferred Tax Assets and Liabilities

	2019	2018
Opening Balance	**28,584,877**	26,748,594
From Provision for Gratuity	**2,230,073**	2,952,916
From Accelerated Tax Depreciation	**(2,425,941)**	(1,116,633)
Net Deferred Tax Liability	**28,389,009**	28,584,877

Deferred income tax liabilities have not been recognised for gratuity provision for the accounting years before 2018.

15.3 A Reconciliation between Tax Expenses and Profit of Accounting Multiplied by the Statutory Tax Rate is as follows

	2019 Rs.	2018 Rs.
Accounting Profit Before Income Tax	**1,873,063,164**	1,808,304,645
Less: Income from other Sources & Exempt Income	**257,059,797**	214,487,797
	1,616,003,367	1,593,816,848
Non-Deductible Expenses	**91,184,783**	59,413,835
Statutory Income from Business	**1,707,188,150**	1,653,230,683
Less: Tax Exempt Profit	**-**	-
Taxable Income – Business Income	**1,707,188,150**	1,653,230,683
Taxable Income – Non-Business Income	**201,431,880**	187,229,213
Total Taxable Income	**1,908,620,030**	1,840,459,896
Income Tax Expenses		
Taxable income – Business & Non-Business Income 28%	**534,413,608**	515,328,771
Income Tax Expenses	**534,413,608**	515,328,771

16. Foreign Currency Translation/Transactions

All transactions in currencies other than the functional currency are recorded in Sri Lankan Rupees, using the exchange rates prevailing at the time the transactions were effected. At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are retranslated to Sri Lankan Rupee equivalents at the exchange rate prevailing on the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees using the exchange rate prevailing at the date of transaction. Exchange differences arising on settlement of monetary items and re-translation of monetary items are recognised in the income statement in the year in which they arise.

17. Events After The Reporting Period

The Directors monitor events closely and where necessary, adjustments or disclosures are made in the current Financial Statements in respect of material post balance sheet events as appropriate.

18. Contingent Liabilities

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

19. Cash Flow Statement

The cash flow statement has been prepared by using the Indirect Method in accordance with LKAS 7 on Cash Flow Statements.

The Indirect Method discloses the profit or loss adjusted by the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flow.

20. Government Grants

Government grants were recognised at Fair Value when there is reasonable assurance that they will be received or when these are transferred to the Authority.

The value of the Government Grant reflects assets transferred from Department of Civil Aviation at the time of formation of the Authority and following assets less accumulated amortisation.

- The value of Batticaloa Airport Buildings and lands transferred to the CAASL in terms of Section 9 of the Civil Aviation Authority Act No. 34 of 2002.
- The value of the two vehicles 65-3651 and 65-3653 received from ICAO Project.
- The value of three (03) units of breath analyser test for alcohol received from Japan's Grant Aid for the Economic and Social Development Programme for Sri Lanka as a donation through the Department of External Resources.

Government Grants as at 01.01.2018	–	Rs. 575,571,516
Add: Grants Received during the year 2018	–	–
Less: Amortisation for the year 2018	–	Rs. (4,238,750)
Government Grants as at 31.12.2018	–	Rs. 571,332,766
Add: Grants Received during the year 2019	–	–
Less: Amortisation for the year 2019	–	Rs. (4,238,750)
Government Grants as at 31.12.2019	–	Rs. 567,094,016

Amortisation of Government Grant

The provision for amortisation is calculated on the straight-line basis on the cost/valuation (less 10% of the residual value of the cost/valuation of the asset) of the Property, Plant and Equipment. All Property, Plant and Equipment other than land which are accounted against the Government Grant as a corresponding account have been amortised annually on the following percentages over the useful life time.

Buildings	6 2/3%
Motor Vehicle	12.5%
Plant, Machinery & Equipment	25%
Furniture & Fittings	25%
Other Fixed Assets	25%

21. Related Party Transactions

According to the Sri Lanka Accounting Standards (LKAS24) Related Party Disclosures, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the Authority. Therefore, the Board of Directors of the Authority has been classified as Key Management Personnel of the Authority.

The compensation paid to Key Management Personnel are as follows,

	2019 Rs.	2018 Rs.
Short-Term Employee Benefits	**2,426,420**	2,275,386
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-

21.2 Related Party Transactions

The Civil Aviation Authority is a Statutory Board. The following significant transactions have been carried out with entries controlled by the Government in the ordinary course of business.

Name of the Entity	Relationship	Nature of the Transaction	2019 Rs.	2018 Rs.
Sri Lankan Airlines Ltd	Government Owned	OSS Income	**794,054,426**	782,872,573
Ceylon Electricity Board	-Do-	Electricity Charges	**14,949,551**	18,026,409
Airport & Aviation (Pvt) Ltd	-Do-	Electricity Charges	**1,312,014**	734,560
National Water Supply and Drainage Board	-Do-	Water Charges	**92,884**	107,134
Airport & Aviation (Pvt) Ltd	-Do-	Water Charges	**497,965**	721,572
General Treasury	-Do-	Embarkation Levy	**22,125,349,426**	19,964,333,668
Airport & Aviation (Pvt) Ltd	-Do-	Embarkation Levy	**5,749,564,197**	5,510,021,919
Sri Lanka Tourism Development Authority	-Do-	Embarkation Levy	**2,451,397,483**	2,755,010,959
Employees Trust Fund Board	-Do-	ETF	**7,236,499**	6,757,937
Employees Provident Fund	-Do-	EPF	**36,182,499**	33,718,288
Inland Revenue Department	-Do-	Income Tax	**573,149,050**	428,107,607
Inland Revenue Department	-Do-	Stamp Duty	**1,628,876**	1,572,859
Road Development Authority	-Do-	Palali Airport Development	**410,702,753**	-
Airport & Aviation (Pvt) Ltd	-Do-	Palali Airport Development	**137,014,875**	-
Survey General Department	-Do-	Palali Airport Development	**6,971,220**	-
Ceylon Electricity Board	-Do-	Palali Airport Development	**3,213,896**	-
Sri Lanka Telecom	-Do-	Telecommunication Charges	**4,582,18**	4,138,173

Name of the Entity	Relationship	Nature of the Transaction	2019 Rs.	2018 Rs.
Sri Lanka Air Force	-Do-	Fuel Charges	**167,636**	155,430
Airport & Aviation (Pvt) Ltd	-Do-	Fuel Charges	**4,394,840**	1,698,091
Sri Lanka Insurance Corporation	-Do-	Insurance Charges	**2,068,845**	-
Bank of Ceylon	-Do-	Investments	**862,000,918**	1,327,161,961
Sri Lankan Catering (Pvt) Ltd	-Do-	Catering Services for meetings & Trainings	**179,400**	929,560
Sri Lanka Air Force	-Do-	Ratmalana Airport Development	**503,257,124**	251,217,632
State Engineering Corporation	-Do-	CAASL Head Office Building	**-**	179,826,713
Road Development Authority	-Do-	Expressway Charges	**2,212,174**	1,708,820
Receivables				
Sri Lankan Airlines Ltd	-Do-	Overseas Sales Surcharge	**33,943,218**	39,895,909
Payables				
State Engineering Corporation	-Do-	Retention for CAASL Building	**40,168,499**	40,168,499
General Treasury	-Do-	Embarkation Levy	**1,664,531,840**	827,700,398
Airport & Aviation (Pvt) Ltd	-Do-	Embarkation Levy	**-**	440,524,857
Sri Lanka Tourism Development Authority	-Do-	Embarkation Levy	**313,018,894**	220,262,428

Limited disclosures have been made in accordance with LKAS 24 – 'Related Party Disclosures' for transactions that are individually significant because of their size and due to the impracticability of capturing and disclosure of all transactions which have been carried with all Government controlled/related entities.

Balances from/to entities controlled by the GOSL are included under Trade Receivables, Trade and Other Payables in the Statement of Financial Position

22. Financial Risk Management

The Civil Aviation Authority of Sri Lanka is a Statutory Board. The main function of this Authority is providing regulatory services to the civil aviation industry. The Authority is not financed with financial instruments like shares, debentures, and loans, etc. The Authority has minimum exposure to the following risks from its use of financial instruments.

- Credit Risk
- Liquidity Risk

22.1 Credit Risk:

Credit Risk is the risk of financial loss to the Authority if a customer fails to meet its contractual obligations and arises principally from the receivables from internal and external parties.

Investments:

The Authority limits its exposure to credit risk by investing only in Government Treasury bills and short-term deposits only with the CAA Official Banker: Bank of Ceylon.

Employee Loans

The Authority limits its exposure to credit risk by ensuring the loan balances are recovered from the employee's monthly salary or if the employee leaves, such amounts are recovered from the guarantors. CAASL is also the absolute owner of the properties purchased by the employees with these loans.

22.2 Liquidity Risk

Liquidity Risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due under both normal and unexpected conditions, without incurring unacceptable losses or risking damaging the Authority's reputation.

The Authority ensures its liquidity is maintained by investing surplus cash held by the Authority over and above Rs. 5 mn in short, medium and long term financial instruments. Cash flow forecasting is performed by the Finance and Revenue Management Section. The Finance and Revenue Management Section monitors rolling forecasts of the Authority's liquidity requirements to ensure it has sufficient cash to meet operational needs.

		2019 Rs.	2018 Rs.
23.	**Operating Income**	**2,288,452,284**	2,162,045,090
	Overseas Sales Surcharge	**1,989,473,679**	1,859,018,429
	Service Charge of Embarkation Levy	**222,074,304**	217,590,386
	Income from Regulatory Services	**76,904,301**	85,436,274

		2019 Rs.	2018 Rs.
24.	**Non-Operating Income**	**215,603,274**	198,154,710
	Rental Income	**70,041**	-
	Reservation of Circuit Bungalow	**179,200**	203,410
	Tender Application Fees	**67,200**	68,100
	Airfare & Ticketing Course – receipts	**468,800**	-
	Administrative Fine	**90,000**	1,222,646
	Sale of Century Aviation Book	**2,490**	14,850
	Miscellaneous Income	**1,534,735**	1,794,535
	Administrative Fee – Visa Recommendation for Students	**155,000**	-
	Interest Income from Staff Loans (IFRS adjustment)	**9,251,694**	10,574,310
	Amortisation of Government Grant	**4,238,750**	4,238,750
	Interest Income		
	Interest from Staff Loan	**4,117,999**	3,466,212
	Interest from Treasury Bill	**157,043,183**	138,370,978
	Interest from Call Deposits	**31,108,226**	38,200,919
	Interest from Other Investments	**7,275,956**	-
25.	**Staff Expenses**	**333,482,977**	312,201,525
	Salaries and Wages	**127,536,653**	99,370,489
	Other Allowances	**104,299,465**	117,227,170
	Employees' Provident Fund	**36,182,499**	33,718,288
	Employees' Trust Fund	**7,236,500**	6,757,937
	Leave Encashment	**6,500,077**	5,095,402
	Bonus	**8,566,568**	7,037,359
	Overtime and Holiday Payment	**9,656,272**	6,457,387
	Welfare Expenses	**16,288,701**	15,417,055
	Gratuity	**7,964,547**	10,546,128
	Staff Cost on Loan Benefits – (IFRS Adjustments)	**9,251,695**	10,574,310
26.	**Meetings, Seminars and Workshops**	**24,497,924**	21,032,525
	Workshop and Seminar Expenses		
	Local	**5,115,009**	4,382,365
	Foreign	**19,382,915**	16,633,177
	ICAN Conference Expenses		16,982
27.	**Training Expenses**	**18,227,802**	17,327,535
	Training Expenses		
	Local	**3,924,209**	2,176,260
	Foreign	**14,303,593**	15,151,275

		2019 Rs.	2018 Rs.
28.	**Administration and Other Expenses**	**190,867,775**	171,125,308
	Inspections	**2,348,330**	449,619
	Outdoor Meetings	**394,628**	87,851
	In house Meetings	**646,084**	897,799
	Travelling Expenses - Local	**2,212,174**	1,708,820
	Consultancy and Legal Fees	**596,406**	46,418
	External Technical Assistance	**13,581,840**	15,601,824
	Compliance Management Cost	**4,010**	697,079
	Interviews/Staff Evaluations	**248,036**	570,800
	Board Payments	**1,092,500**	803,500
	Maintenance of Property, Plant and Equipment	**1,086,959**	2,599,302
	Stationery and Consumable Expenses	**9,483,473**	8,142,050
	Domestic Airport Development	**2,492,128**	766,572
	Other Supplies	**909,289**	1,369,345
	Telecommunication	**8,804,023**	6,339,325
	Postal Charges	**364,117**	307,448
	Contributions to International Civil Aviation Organisation	**36,922,885**	23,406,785
	Subscription for Publication and Advertisement	**5,801,820**	2,624,438
	Examination Fee	**696,200**	822,064
	Printing Expenses	**3,272,948**	2,828,353
	Bank Charges	**850**	-
	Audit Fee	**1,200,000**	1,455,700
	Loss on Disposal of Assets	**256,934**	2,441,427
	Translation and Typing Expenses	**306,010**	308,107
	Welfare Utilities – Sports	**225,098**	249,227
	Sundry Expenses	**160,399**	43,095
	Fuel and Lubricants	**5,500,360**	5,087,081
	Vehicle Maintenance	**8,372,213**	7,153,837
	Rent and Hire Charges	**19,146,000**	16,218,017
	Common – Welfare	**2,880,472**	4,994,267

	2019 Rs.	2018 Rs.
Expenses for Office Building and Quarters		
Building Rent	-	3,727,386
Electricity	17,838,656	20,488,017
Water	1,302,763	1,495,259
Security	9,061,257	6,167,941
Janitorial	12,070,017	9,442,626
Other Maintenance	7,474,868	7,267,877
Management Services	950,000	2,280,000
Landscaping & Maintenance	371,950	-
Aviation Development	3,968,008	8,209,079
IT Maintenance	3,936,101	2,783,669
Organisational Events	1,032,731	1,214,924
Promotional Activities	86,221	28,380
Research, Planning and Development	3,566,000	-
Airfare and Ticketing Course Expenses	203,017	-

29. Taxation

	524,261,818	508,161,583
Income Tax 28%	524,457,686	506,325,300
Deferred Tax	(195,868)	1,836,283

30. Property, Plant and Equipment (Rs.)

Cost/Valuation	Balance as at 01/01/2019	Additions/ Transfers	Disposals	Balance as at 31/12/2019	Balance as at 31/12/2018
Land	574,999,071	827,173	-	575,826,244	574,999,071
Building	135,666,188	902,664,026	-	1,038,330,214	135,666,188
Vehicles	123,502,263	9,000,000	-	132,502,263	123,502,263
Plant and Machinery	101,948,343	19,331,630	(1,928,852)	119,351,121	101,948,343
Furniture and Fittings	47,654,264	9,624,066	(718,549)	56,559,781	47,654,264
Other Fixed Assets	625,254	-	-	625,254	625,254
Total	984,395,383	941,446,895	(2,647,401)	1,923,194,877	984,395,383

Depreciation	Balance as at 01/01/2019	Charge for the year	Depreciation for Disposals	Balance as at 31/12/2019	Balance as at 31/12/2018
Building	30,811,376	30,428,937	-	61,240,313	30,811,376
Vehicles	85,515,852	9,637,848	-	95,153,700	85,515,852
Plant and Machinery	52,284,480	15,995,387	(1,746,293)	66,533,574	52,284,480
Furniture and Fittings	20,047,255	7,662,316	(644,174)	27,065,397	20,047,255
Other Fixed Assets	325,768	92,814	-	418,582	325,768
Total	188,984,731	63,817,302	(2,390,467)	250,411,566	188,984,731
Written Down Value				1,672,783,311	795,410,652

31. Intangible Assets (Rs.)

Cost/Valuation	Balance as at 01/01/2019	Additions/ Transfers	Disposals	Balance as at 31/12/2019	Balance as at 31/12/2018
IT Software	15,812,239	269,728	-	16,081,967	15,812,239
Total	15,812,239	269,728	-	16,081,967	15,812,239

Amortisation	Balance as at 01/01/2019	Charge for the year	Additions/ Transfers	Balance as at 31/12/2019	Balance as at 31/12/2018
IT Software	14,143,263	98,614	-	14,241,877	14,143,263
Total	14,143,263	98,614	-	14,241,877	14,143,263
Written Down Value				1,840,090	1,668,976

		2019 Rs.	2018 Rs.
32.	**Capital Work in Progress**	**1,185,859,250**	1,114,700,993
	Katunayake Head Office	**-**	831,984,977
	Domestic Airport – Bandarawela	**677,000**	677,000
	Domestic Airport – Puttalam	**315,000**	315,000
	Domestic Airport – Rathmalana	**754,474,756**	251,217,632
	Circuit Bungalow – Batticaloa	**-**	30,506,385
	International Airport – Palali	**430,392,493**	-

		2019 Rs.	2018 Rs.
33.	**Trade Receivables**	**124,517,937**	127,643,810
	OSS & Embarkation Service Charge Income Receivable	**123,676,641**	127,294,571
	Other Debtors	**841,296**	349,239
34.	**Staff Loan**	**58,518,714**	46,715,928
	Staff Loans	**100,771,508**	90,941,694
	Deferred Staff Cost (Loans)	**(42,252,794)**	(44,225,766)
35.	**Financial Assets**	**862,000,918**	1,327,161,961
	Treasury Bills	**876,313,834**	1,350,700,429
	Less: Deferred Interest Income	**(14,312,916)**	(23,538,468)
36.	**Advances, Prepayments and Other Receivables**	**484,355,603**	217,956,648
	Advances	**197,024,789**	11,215,701
	Prepayments	**5,204,322**	5,813,047
	VAT Receivable	**233,926,423**	152,208,634
	Interest Income Receivable	**5,947,275**	4,493,500
	Prepaid Staff Cost	**42,252,794**	44,225,766
37.	**Cash and Cash Equivalents**	**2,148,290,693**	1,940,546,728
	Cash at Bank		
	Current Account: 000 202 6666	**140,739,958**	25,115,780
	Current Account: 000 202 6678	**605,722,250**	825,430,948
	Current Account: 324 100 190 023 731	**603,828,485**	-
	Call Deposits	**798,000,000**	1,090,000,000
38.	**Grants Received**	**567,094,016**	571,332,766
	Land	**522,374,500**	522,374,500
	Buildings	**35,704,790**	38,006,486
	Plant, Machinery & Equipment	**1,674,275**	2,176,349
	Vehicle	**11,561,088**	12,996,069
	Furniture & Fittings	**18,113**	18,113
	Total	**571,332,766**	575,571,517
	Amortisation for the year	**(4,238,750)**	(4,238,750)
	Balance at the end of the year	**567,094,016**	571,332,766

		2019 Rs.	2018 Rs.
39.	**Deferred Tax Liability**	**28,389,010**	28,584,877
	Balance at the beginning of the year	**28,584,877**	26,748,595
	Transfers during the year	**(195,867)**	1,836,283
40.	**Provisions and Other Liabilities**	**94,454,283**	94,454,283
	Staff Welfare Fund	**508,915**	508,915
	Bank Guarantee Deposits (Embarkation Levy)	**43,945,368**	43,945,368
	Accident Investigation Fund	**50,000,000**	50,000,000
41.	**Retirement Benefits Obligation**	**40,461,110**	33,631,163
	Balance at the beginning of the year	**33,631,163**	23,406,485
	Provision for the year	**7,964,547**	10,546,128
	Paid during the year	**(1,134,600)**	(321,450)
	Balance at the end of the year	**40,461,110**	33,631,163
42.	**Trade Payables**	**2,032,226,872**	1,556,193,276
	Deposit Inspection Charges and Operations	**6,556,025**	5,335,183
	Payable to AASL, Tourism Development Authority and Government Treasury	**1,664,531,840**	1,505,430,947
	Deposit – Jaffna International Airport Development – SLTDA	**313,018,895**	-
	Other Creditors	**48,120,112**	45,427,145

		2019 Rs.	2018 Rs.
43.	**Other Payables**	**25,691,653**	25,323,614
	Accrued Expenses		
	– Staff Expenses		
	Leave Encashment	**6,500,077**	5,671,824
	Welfare Payments	**606,451**	-
	Salaries and Wages	**10,000**	-
	EPF	**10,000**	6,141,347
	ETF	**1,200**	737,412
	Other Staff Expenses	**-**	901,693
	– Training	**101,300**	-
	– Administration and Other Expenses		
	Subscriptions to ICAO	**5,504,475**	-
	External Technical Assistance	**1,295,671**	624,000
	Telecommunication	**1,444,311**	595,376
	Audit Fees	**2,518,000**	2,428,000
	Electricity	**1,376,496**	1,521,622
	Security	**1,141,226**	574,680
	Janitorial	**1,165,414**	675,050
	Printing	**1,400,000**	2,328,577
	Other Expenses	**2,617,033**	3,124,033
44.	**Income Tax Liabilities**	**210,822,186**	259,513,550
	Balance at the beginning of the year	**259,513,550**	188,873,919
	Provision for the year	**524,457,686**	506,325,300
	VAT Refund	**-**	(7,578,063)
	Paid during the year	**(573,149,050)**	(428,107,607)
	Balance at the end of the year	**210,822,186**	259,513,550

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. } AVA/B/CAASL/01/19/113 ඔබේ අංකය / உமது இல. / Your No. } දිනය / திகதி / Date } 11 September 2020

Chairman

Civil Aviation Authority of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Civil Aviation Authority of Sri Lanka for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

The English version of the above mentioned report together with the Audited Financial Statements is sent herewith.

W.P.C. Wickramaratne
Auditor General

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල. ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. AVA/B/CAASL/01/19/113 | ඔබේ අංකය / உமது இல. / Your No. | දිනය / திகதி / Date 11 September 2020

Chairman

Civil Aviation Authority of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Civil Aviation Authority of Sri Lanka for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Civil Aviation Authority of Sri Lanka ("Authority") for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of profit or loss, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
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1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Authority is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Authority.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

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collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

National Audit Act, No. 19 of 2018 include specific provisions for following requirements.

- I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Authority as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

- The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

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- The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

- to state that any member of the governing body of the Authority has any direct or indirect interest in any contract entered into by the Authority which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

- to state that the Authority has not complied with any applicable written law, general and special directions issued by the governing body of the Authority as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018.

- to state that the Authority has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

- to state that the resources of the Authority had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

3. Other Matters

(a) Even though allowances should not be paid without obtaining the approval of the Department of Management Services of the General Treasury, a managerial allowance of Rs.50,000 per month had been paid to 27 officers of the higher management in the Authority as per a decision taken by the Board of Directors, with effect from May 2018. Thereon, a total allowance of Rs.14,002,204 had been incurred by the Authority for the year ended 31 December 2019.

(b) The Value Added Tax (Input Tax) receivable from Inland Revenue Department in relation to the purchases up to 31 December 2019 was Rs.233,926,423. Even though several discussions were held with the Inland Revenue Department for the refund of the aforesaid value, a final decision had not been taken. It is observed that the recoverability of this amount is doubtful. However no provisions had been made in the financial statements in this regard.

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NAOSL

(c) The Authority had obtained a land at Weerawila for 30 years lease term from the Government in 2014 for the construction of Quarters for employees. However, action had not been taken to identify the asset as lease hold land as per SLFRS 16 even as at 31 December 2019.

(d) Ownership of Batticoloa airport had been transferred to the Authority as per the extra ordinary gazette no. 78/1973 dated 01.07.2016 and the authority had capitalized those land and buildings to the amount of Rs. 472.6 million and Rs. 38.4 million respectively based on the valuation report dated 14 Aug 2017 provided by the Valuation Department. However, transfer of those assets to the name of the Authority had not been made up to now.

W.P.C.Wickramaratne
Auditor General

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Auditor General
National Audit Office
Battaramulla

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Civil Aviation Authority of Sri Lanka for the year ended 31st December 2019 in terms of Section 12 of the National Audit Act, No. 19 of 2018

This has reference to your reports dated 11th September 2020 bearing No: AVA/B/CAASL/01/19/113.

Pl find below the answers for the above mentioned report.

3. Other Matters

(a) Agree with your observation.
CAASL is in the process of obtaining covering approval for the payment of Managerial Allowance of Rs. 50,000/- as advised. The letters pertaining to the same have been forwarded to the Line Ministry and Department of Management Services.

(b) Not agree with the observation.
Department of Inland Revenue has already finalized and issued Refund Assessments for following periods

i. From year 2003 to year 2013 (before RAMIS)

ii. Some of the refunds had already been received in cash or settled off against income tax or VAT dues except the refunds in the attached list. This office noticed and confirmed with the IRD that there is a delay in refund arrangements due to systems limitations after implementation of RAMIS. They have verbally agreed to settle all dues sooner.

iii. 1st quarter of 2016 (After RAMIS)

Audits have been started by IRD to verify VAT documents from 2nd quarter 2016.

Therefore provisions had not been made as there was no uncertainty of refund as per the IRD communications. Please note that IRD is not providing any written evidence for these transactions although requested.

Hence kindly request to remove this statement considering the above

(c) Agree with the observation
An advice was sought from ICASL on application of provisions in SLFRS 16 to Weerawila land, which had been leased from the government to obtain more clarification on unclear areas. ICASL informed that they are having separate technical document for transactions in this nature and instructed to make a written request with supporting documents to advice further on this. Since the given time is not sufficient to make amendments to the Financial Statements 2019, relevant disclosures will be made to the Financial Statements 2020 if required.

(d) Not Agree with the observation
Ownership of Batticaloa Airport had been transferred to Civil Aviation Authority of Sri Lanka (CAASL) through the Extraordinary Gazette No. 1973/78 of 01/07/2016. There is no conflict on the ownership of the lands and the buildings between CAASL and Sri Lanka Airforce (SLAF). One side of Batticaloa Airport lands is used by SLAF and the other side of Batticaloa Airport lands are owned by CAASL as per the said Gazette. The total land is identified for the two parties with an understanding arrived at the meeting held at the Defense Secretary's Office on 07/12/2018. Accordingly, CAASL is in the process of obtaining formal registration of the portion of land used by CAASL through Divisional Secretary of Manmunai North.

Hence kindly request to remove this statement considering the above.

Amitha Wijayasuriya
Vice Chairman
For the Chairman of Civil Aviation Authority of Sri Lanka

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