



CAAM ANNUAL REPORT

2018



CONTENT

AUTHORITY MEMBERS 4

DIRECTORS 6

CAAM STRUCTURE 10

VISION & MISSION 12

ESTABLISHMENT OF CAAM 14

Nomination and Remuneration Committee

Procurement Committee

Finance Committee

Audit and Risk Committee

MILESTONE 15

FUNCTIONS OF CAAM 16

The Main Function of CAAM as Provided Under Act 788

ICAO AND THE CHICAGO CONVENTION 17

LEGAL OFFICE 18

Core Function

Subsidiary Legislation

AIR TRAFFIC MANAGEMENT 22

Background

• Function

• Program & Activities

• Developments

• Functions and Activities in 2018

KUALA LUMPUR, KOTA KINABALU AND SINGAPORE FIRS

AIR TRAFFIC INSPECTORATE 34

Profile

Mission & Objectives

FLIGHT OPERATIONS 40

Mission & Objectives

Activities

AERODROME STANDARDS 44

Flow Chart for Helideck Certification

AGA Transformation Blueprint

Future Experience

Vision & Mission

Program & Activities

Scope of Work

Quality Control

RAMP Check

AIR TRANSPORT 56

Activities & Achievements

ICAO dan International Unit

Statistics Unit

MALAYSIA AVIATION ACADEMY (MAVA) 62

AIRWORTHINESS 66

Main Function

Technical Crew

Project & Activities

Composition of Airworthiness Activities 2018

Development of Airworthiness Division

Transitioning to The Concept of Risk-Based Monitoring

FINANCIAL REPORT 74

AUTHORITY MEMBERS



**YBhg Dato' Sri
Azharuddin Abdul
Rahman**
Chairman
(Resigned on 14.8.2018)

**YBhg Datuk Mohd.
Khairul Adib bin
Abd. Rahman**
Secretary General Ministry of
Transport (non-Independent
& non-Executive)

**YBhg Dato'
Shahrol Anuwar
bin Sarman**
Representative of the
Ministry of Finance
(non-Independent & non-Executive)

**Captain Ahmad
Ridzwan bin Mohd
Salleh**
Deputy Chairman
(Independent & non-Executive)

**Commander (H)
Professor Datuk
Razali Mahfar**
Authority Member
(Independent &
non-Executive)

**YBhg Ir. Professor
Dato' Dr. Chuah
Hean Teik**
Authority Member
(Independent &
non-Executive)

Afzal Abdul Rahim
Authority Member
(Independent &
non-Executive)

**Ahmad Nizar
Zolfakar**
Chief Executive Officer



DIRECTORS



**Ahmad Nizar
Zolfakar**
Chief Executive Officer

**Zulkefli
bin Harun**
Air Traffic Management

**Dr Noorlinah binti
G Mohd**
Malaysian Aviation Academy

**Harmizi Bin Mohd
Hashim**
Air Traffic Inspectorate

**Ikmal Hakimi
Ismail**
Airworthiness

**Captain Md. Jani
bin Md. Dom**
Flight Operations





**Dr Zainul Fuad bin
Md Wahi**
Aerodrome Standards

**Abdul Rahman bin
Mahat**
Aviation Security

**Hasan
bin Muda**
Management Services

**Puan Flora Chin
Lee Sa**
Air Transport

**Mohd Fadhli bin
Abd Hadi**
Finance

**Captain Jamaluddin
Tambychik**
Calibration



CAAM

Civil Aviation Authority of Malaysia



CHIEF EXECUTIVE OFFICER

PUBLIC RELATIONS OFFICER

LEGAL ADVISOR

INTEGRITY UNIT



AIR TRAFFIC MANAGEMENT



MALAYSIA AVIATION ACADEMY



AIR TRAFFIC INSPECTORATE



AIRWORTHINESS SECTOR



FLIGHT OPERATION SECTOR



AERODROME STANDARD



AVIATION SECURITY



MANAGEMENT SERVICES DIVISION



AIR TRANSPORT

CAAM PENINSULAR MALAYSIA

CAAM SABAH

CAAM SARAWAK

CAAM KLIA

ATCC SUBANG

ATC TOWER SUBANG

CAAM JOHOR BAHRU

ATC TOWER TAWAU

CAAM SANDAKAN

CAAM MIRI

CAAM SIBU

CAAM PULAU PINANG

CAAM KOTA BHARU

CAAM LAHAD DATU

ATC TOWER KINABALU

CAAM BINTULU

CAAM MULU

CAAM LANGKAWI

CAAM ALOR SETAR

CAAM LIMBANG

CAAM MARUDI

ATC TOWER IPOH

CAAM KUALA TERENGGANU

ATC TOWER LAWAS

CAAM MUKAH

CAAM KERTEH

CAAM TIOMAN

ATC TOWER KUCHING

KUCHING ATCC

CAAM MELAKA



- Administrator
- Service provider
- Regulator



VISION

TO BE THE WORLD'S
LEADING AVIATION AUTHORITY

MISSION

TO CONTINUOUSLY ENHANCE SAFETY, SECURITY
AND EFFICIENCY FOR A SUSTAINABLE AVIATION
INDUSTRY





ESTABLISHMENT OF CAAM

MILESTONE

Effective on 19th February 2018, Department of Civil Aviation (DCA), a government agency under the Ministry of Transport (MOT) was incorporated into a statutory body known as Civil Aviation Authority of Malaysia (CAAM). CAAM is responsible in carrying out all function of DCA.

The incorporation of CAAM is in line with the requirement of the International Civil Aviation Organization (ICAO) which has called upon contracting states to the Chicago Convention to establish an autonomous civil aviation authority to ensure efficient management of the safety and security of the civil aviation.

With the establishment of CAAM as a statutory body, CAAM will have greater flexibility to attract and retain qualified technical personnel in matters relating to civil aviation to ensure that the national and international obligations of the country in matters relating to civil aviation can be carried out smoothly and the universal safety and security standards and requirements in civil aviation are implemented, complied with and well-maintained.

COMMITTEES

CAAM may establish any necessary committee to assist in performing its functions.

Nomination and Remuneration Committee

To recommend the appointment of senior management to CAAM and to assists CAAM in meeting its responsibilities regarding the determination, implementation and oversight of remuneration arrangements.

Procurement Committee

To evaluate procurement documentation and award tender.

Finance Committee

To provide financial oversight for CAAM which includes budgeting and financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies.

Audit and Risk Committee

The assist CAAM in the effective discharge of its responsibilities in the areas of statutory reporting, internal control systems, risk management systems, insurance proceedings, and the internal and external audit functions.

• March 2006 – The International Civil Aviation Organization Director General of Civil Aviation Conference, held in Montreal, had called upon Contracting State to establish, where necessary, and as soon as possible, an autonomous civil aviation authority.

• 4th October 2007 – The Malaysian Aerospace Council Meeting chaired by the Prime Minister then, Tun Haji Abdullah bin Haji Ahmad Badawi, agreed that DCA is to be reorganized and upgraded to an autonomous civil aviation authority.

• 7th January 2007 – MOT and DCA have started the work on the establishment of CAAM.

• 26th August 2016 – Malaysian Cabinet has agreed on the establishment of CAAM vide an Act of Parliament.

• Parliament has passed the Civil Aviation Authority of Malaysia Act 2016, an Act to establish CAAM of which the primary function is to regulate the safety and security of civil aviation (presented before Dewan Rakyat on 23rd November 2016 and Dewan Negara on 21st December 2016).

• 17th February 2017 – Obtained royal assent by Kebawah Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong XV Sultan Muhammad V.

• 19th February 2018 – The establishment of CAAM came into force under the Civil Aviation Authority of Malaysia Act 2017 [Act 788].





FUNCTIONS of CAAM

As the functions of DCA are carried out by CAAM, CAAM is required to perform two distinct functions, firstly as a technical regulator for the civil aviation and secondly as a service provider for the air navigation services and calibration services.

CAAM will remain committed in ensuring all international standards as set by ICAO is complied.

The main function of CAAM as provided under Act 788:



TO REGULATE THE SAFETY AND SECURITY OF CIVIL AVIATION;



TO SAFEGUARD CIVIL AVIATION AGAINST ANY ACTS OF UNLAWFUL INTERFERENCE;



TO EXERCISE SAFETY REGULATORY OVERSIGHT OF CIVIL AVIATION;



TO REGULATE THE OPERATION OF AERODROME AND AERODROME SERVICES;



TO PROVIDE AIR NAVIGATION SERVICES AND CALIBRATION SERVICES;



TO CO-ORDINATE SEARCH AND RESCUE SERVICES TO AIRCRAFT IN DISTRESS; AND



TO ADVISE THE GOVERNMENT ON ALL MATTERS RELATING TO CIVIL AVIATION.

ICAO AND THE CHICAGO CONVENTION

International Civil Aviation Organization (ICAO) is a United Nations specialized agency in the field of civil aviation mandated to promote the safety of international civil aviation and charged with coordinating and regulating civil aviation matters. ICAO was established in 1944 upon the signing of the Convention on International Civil Aviation (Chicago Convention). The Chicago Convention is supported by nineteen (19) annexes containing standards and recommended practices (SARPs) established by ICAO.

It is interesting to note that Malaysia is a signatory and contracting state to the Chicago Convention. As a contracting state, Malaysia adopts international standards and procedure as prescribed by the ICAO.

The ICAO Council comprises of 36 contracting states selected via election from members of the assembly which are the governing body of ICAO. Malaysia is indeed honoured to be a member of the Council of the ICAO since 2007 and has since maintain membership in the Council for three (3) consecutive terms.

Although CAAM is no longer a government department, but CAAM remains a representative of the Government of Malaysia internationally in respect to matters relating to civil aviation and discharge of international obligations of the Government in matters pertaining to civil aviation.



LEGAL OFFICE

CORE FUNCTION

- To provide legal advice to CAAM on all aspects relating to aviation law
- To assist in the interpretation of civil aviation law and other related legislation
- To draft or vet legal documents
- To draft or vet principal legislations and subsidiary legislations
- To attend debate in Parliament which involve any Bill of CAAM

LEGISLATIVE FRAMEWORK

Legislative framework consists of:

- Act of Parliament; a piece of primary aviation legislation passed by the Parliament of Malaysia.

- Subsidiary legislations refer to regulations made by the Minister of Transport on the basis of the power delegated to him by Parliament through the Civil Aviation Act 1969.

- Notice, Circular, Directive, Requirement and Information are made by the Chief Executive Officer on the basis of the power given by the Civil Aviation Act 1969 and subsidiary legislations.

All those pieces of legislation have the same legal force and they are legally enforceable against and binding on everybody throughout Malaysia.



• Civil Aviation Act 1969 [Act 3]

Malaysia as a Contracting State to the Chicago Convention is duty bound to comply with the Articles of the Chicago Convention and the Standards in the Annexes. In order to ensure compliance with its obligations enunciated in both the Chicago Convention and the Standards in the Annexes, Act 3 has been enacted in 1969 and in force ever since.

• Carriage by Air Act 1974

An Act to give effect to the provisions of the Warsaw Convention and Montreal Convention concerning international carriage by air and for purposes connected therewith.

• Civil Aviation Offences Act 1984

An Act to give effect to the Convention on Offences and Certain Other Acts Committed on Board Aircraft signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft signed at The Hague on 16 December 1970, the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation signed at Montreal on 23 September 1971, and its Protocol and for purposes connected therewith.

• International Interests in Mobile Equipment (Aircraft) Act 2006

An Act to give effect to the provisions of the Convention on International Interests in Mobile Equipment, its Protocol and for purposes connected therewith.

• Civil Aviation Authority of Malaysia Act 2017

An Act to incorporate the Department of Civil Aviation (DCA), which is a government department, to be a statutory body by the name of Civil Aviation Authority of Malaysia of which the primary function is to regulate the safety and security civil aviation. This is in line with the requirement of the ICAO which has called upon the contracting states to the Chicago Convention to establish an autonomous civil aviation authority to ensure efficient management of the safety and security of the civil aviation.

Subsidiary legislations

Act 3 does not provide detailed provisions of the obligations as stipulated in the Chicago Convention and its Annexes. Be that as it may, section 3(1) of Act 3 is intended by Parliament of Malaysia to be the enabling provisions which gives the power making regulation to the Minister to make regulations to give effect to the Chicago Convention, its Annexes and any amendments of such Chicago Convention and Annexes. Pursuant to this power as vested by Parliament vide section 3 of Act 3 in its present form, the Minister made the subsidiary legislations as follows:

- Civil Aviation Regulations 2016
The Civil Aviation Regulations 2016 codify the safety requirements of civil aviation.

- Civil Aviation (Aerodrome Operations) Regulations 2016

The Civil Aviation (Aerodrome Operations) Regulation 2016 codify the control and regulation of aerodrome operations.

- Civil Aviation (Security) Regulations 2019
The Civil Aviation (Security) Regulations 2019 codify the control and regulation of aviation security.

Notice, Circular, Directive, Requirement and Information

Due to the dynamic nature of the civil aviation requirements as determined by the ICAO which are subject to amendments from time to time, section 24O and section 24Q of Act 3 empowers the Chief Executive Officer to issue any notice, circular, directive, requirement and information. There are quit numbers of notice, circular, directive, requirement and information which were issued by the Chief Executive Officer.

- Safety Directive
- CEO Directive
- Airport Standard Directives
- Flight Operation Notices
- Flight Operation Directives
- Airworthiness Notices
- Air Navigation Services Standards Directives



AIR TRAFFIC MANAGEMENT

BACKGROUND

Air Traffic Management (ATM) Sector is the largest sector within CAAM. There are 929 Air Traffic Controllers and 201 administrative personnel in this sector located throughout Malaysia. The Director of ATM Sector is supported by the Director of Peninsular Region, Director of Sabah Region, Director of Sarawak Region, Director of KLIA and Director of KL Air Traffic Control Centre in the functionality of the sector.

The ATM sector is administered in two levels; headquarter and operations. The headquarter is located in Putrajaya while operations are located at various stations within Peninsular and East Malaysia. The Malaysian airspace is divided into the Kuala Lumpur and Kota Kinabalu Flight Information Regions (FIR) where operations are associated with air traffic control units. There are two (2) Air Traffic Control Centres in Kuala Lumpur and Kota Kinabalu, a sub-centre in Kuching as well as 12 Control Towers in Peninsular Malaysia; 4 in Sabah and 8 in Sarawak.



FUNCTION

The Air Traffic Management Sector is responsible for the provision of air traffic services for the safe and efficient conduct of flight within Malaysian airspace pursuant to the Chicago Convention 1947 . Air Traffic Service is a generic term which encompasses air traffic control, advisory, flight information and alerting service.

PROGRAM & ACTIVITIES

The ICAO standard and recommended practices (SARPS) associated with the responsibility of ATM sector are those contained in:



1	Personnel licensing,	11	Air Traffic Services,
2	Rules of the Air	12	Search and Rescue
3	Meteorological Service for International Air Navigation	14	Aerodromes; and
4	Aeronautical Charts,	15	Aeronautical Information Services.
5	Units of Measurement to be used in Air and Ground Operations, Annex 10 – Aeronautical Telecommunications	19	Safety Management

Other relevant documents are DOC 4444 – Air Traffic Management Procedures for Air Navigation, DOC 9859 – Safety Management System Manual, CIR 314 – Threat and Error Management (TEM), DOC 9910 – Normal Operations Safety Survey (NOSS), Doc 9426 – Air Traffic Services Planning Manual and DOC 9683 – Human Factors Manual.

In accomplishing its function, the ATM Sector has established various units at headquarter levels namely:



- **AERONAUTICAL INFORMATION SERVICES (AIS)**
- **AIRSPACE PLANNING AND MANAGEMENT**
- **COMMUNICATION, NAVIGATION AND SURVEILLANCE (CNS)**
- **PROCEDURES FOR AIR NAVIGATIONS (PANS-OPS)**
- **ICAO/ PERFORMANCE BASED NAVIGATION (PBN)**
- **HUMAN RESOURCE MANAGEMENT,**
- **SAFETY MANAGEMENT SYSTEM & SAFETY INVESTIGATION (SMS)**
- **SEARCH AND RESCUE(SAR) AND AIR SAFETY**
- **ICAO STANDARD AND AUDIT**



1. DEVELOPMENTS

To meet the growth of air traffic movement and plans to take over the Malaysian Airspace delegated to Singapore, Air Traffic Management Sector’s infrastructure are continuously being upgraded.

1.1 New Kuala Lumpur New Air Traffic Control Centre near KLIA
The New Kuala Lumpur Air Traffic Control Centre (KL ATCC), is currently being constructed near KLIA to replace the present KL ATCC in Subang. The ground breaking ceremony for the project was officiated by Former Prime Minister in February 2017. The RM 650 million New KL ATCC project is expected to be fully operational in the 4th quarter of 2020, which will house the new Kuala Lumpur Air Traffic Control Centre, Kuala Lumpur Aeronautical Search and Rescue Centre and the Management office replacing the existing KL ATCC (in Subang) which has been operating for more than 25 years.

The new KL ATCC will feature a new and ultramodern air traffic management system, capable of handling an increasing number of air traffic at KLIA and Klia2. The current 84 movements per hour utilizing three runways at KLIA will be increased to 108 movements per hour.

- 1.1.1 Cost of the project: RM650 million
- 1.1.2 To replace the existing KL ATCC at Subang which has been operating for more 25 years.
- 1.1.3 Ground breaking ceremony by Former Prime minister in February 2017
- 1.1.4 Date of completion: 4th quarter of 2020
- 1.1.5 The project will house the Kuala Lumpur Area Control Centre, Aeronautical Search and Rescue Centre and management office.
- 1.1.6.1 Other scopes of the project:

- The replacement of Langkawi Primary (PSR) & Secondary (SSR) Radar system
- The installation of Primary (PSR) & Secondary (SSR) Radar system at Mersing.
- The installation of COSPASS-SARSAT system (MEOSAR) with four (4) antennas to enhance the capability of Search and Rescue System within the Kuala Lumpur and Kota Kinabalu Search and Rescue Regions (SRR). Two (2) antennas each had been installed in Kota Kinabalu ATCC and KL ATCC, Sepang.

1.2 Replacement and upgrading of Air Traffic Management System in Kota Kinabalu Flight Information Region.

The ATM Sector has also planned for a new Air Traffic Control Centre for Kota Kinabalu FIR to be built to cater for the ASBU initiatives but due to financial constraint it will only be done in stages. The first stage of the project is the upgrading the existing Air Traffic Control system in Miri, replacement of the ageing Kinabalu and Kuching Radars, installation of new radar in Sandakan, a Doppler VHF Omni Range (DVOR) in Miri and installation of 4 Automatic Dependant Surveillance (ADSB) sensors in various location in Sabah and Sarawak. The Installation of Sandakan radar will improve the radar coverage within Kota Kinabalu FIR, improving the efficiency and safety of air traffic.

The ADSB will initially serve as a secondary means of surveillance and will eventually become part of the installation under the ADSB installation master plan throughout the country.

- 1.2.1 Cost of the project: RM159 Million
- 1.2.2 Start date: 15 December 2017
- 1.2.3 Completion Date: 14 December 2020
- 1.2.4 Scope of the project:
 - 1.2.4.1 Replacement of Air Traffic Management System at CAAM Miri
 - 1.2.4.2 Replacement of 2 Radars (SSR & PSR) at Kuching and Kota Kinabalu
 - 1.2.4.3 Installation of new radar (SSR&PSR) in Sandakan.
 - 1.2.4.4 Installation of 4 ADSB in Kota Kinabalu, Kuching, Sandakan and Bintulu
 - 1.2.4.5 Installation of new DVOR/DME in Miri.

2. FUNCTIONS AND ACTIVITIES
IN 2018

2.1 AERONAUTICAL INFORMATION SERVICE
UNIT

The Aeronautical Information Service (AIS) which forms part of the ATM Sector of the Civil Aviation Authority Of Malaysia, ensures the flow of information necessary for the safety, regularity and efficiency of international and national air navigation within the area of its responsibility.

The aeronautical information is provided in the form of Integrated Aeronautical Information Package consisting of the following elements:

- Aeronautical Information Publication (AIP)
- Amendment service to the AIP (AIP AMDT)
- Supplement to the AIP (AIP SUP)
- NOTAM
- Aeronautical Information Circulars (AIC)

AIS Malaysia is in the process of transiting from AIS to AIM, the unit has achieved 79% of the 21 steps required for each state's AIS AIM transition setup by ICAO. The target date of AIM implementation is in year 2021.

PUBLICATION ACHIEVED

AIP AMDT 4

AIP SUPP 12

AIC 5

NOTAM
SUMMARY 12

NOTAM
PROPOSAL 1530



2.2 AIRSPACE UNIT

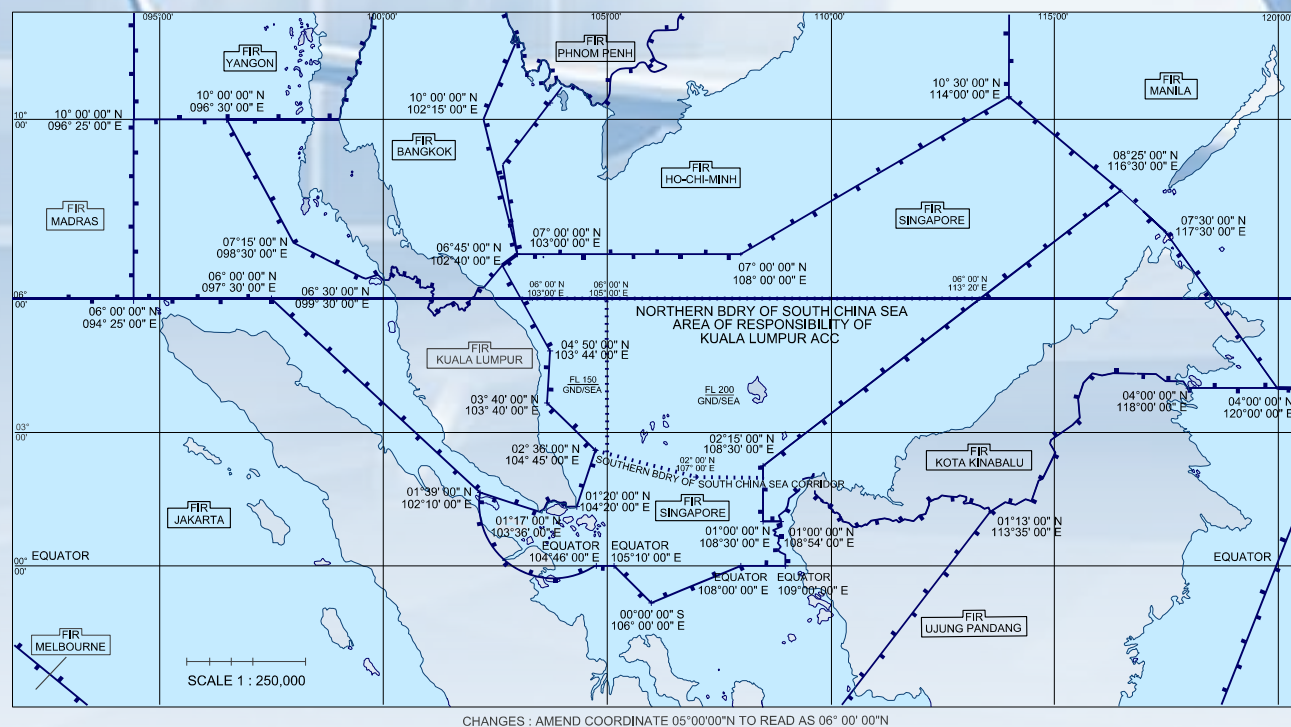
2.2.1 The Airspace Unit manages the airspace in Kuala Lumpur FIR and Kota Kinabalu FIR so that the Air Traffic Management Services can be provided in accordance with ICAO SARPs

2.2.2 It is also responsible for ensuring that the various activities within Malaysia's Flight Information Regions is well managed and not in conflict and jeopardise each other's' safety. The activities are civil commercial flights, civil training flights, recreational flying, military training flights, major air defence exercise, aerial photo, aerial survey, various unmanned aerial vehicle (UAV) activities, balloon and fireworks.

2.2.3 Airspace Improvement
Several significant initiatives on improving the capacity and efficiency of the airspace such as reduction of separation from time based separation to surveillance based on a number of routes, establishment of parallel routes and restructuring of KL FIR are still in progress as its require discussions and coordination with neighbouring FIRs.

2.2.4 Stakeholder Engagements
As part of CAAM commitments to support aviation industries, CAAM through Air Traffic Management Units has engaged airlines, general aviation, military and airport authorities in terms of having several forums throughout the years discussing issues on safety with

KUALA LUMPUR, KOTA KINABALU AND SINGAPORE FIRs



regards to aircrafts operation, Airline On Time Performance (OTP), air traffic efficiencies, airport condition and other operational issues. We have seen significant improvement in terms of OTP and safety issues as a result of this engagement.

To further enhanced safety and efficiencies at cross border between states, Air Traffic Management also conducted ATC Coordination bilateral meetings at least once a year with ANSPs adjacent to Kuala

Lumpur and Kota Kinabalu FIRs, such as Thailand, Indonesia, Vietnam, Singapore and Philippines.

2.3 PANS-OPS & PBN UNIT

Responding to ICAO ASBU Block 0 on optimizing airport accessibility and approach procedures with vertical guidance, the PANS-OPS Unit has managed to increase the PBN implementation at airports throughout the country, accounting for 75%. In 2018, another two airports Kota Bharu and Langkawi air

traffic terminal operations had been fully transformed to PBN with implementation to GNSS based SIDs, STARs and approach procedures. High-end approach procedure with vertical guidance, RNP AR APCH had been implemented at Kota Kinabalu and Labuan, making them the 13th and 14th airport in Malaysia offering the safe, efficient, green and economic approach and landing operations.

2.4 SAFETY MANAGEMENT SYSTEM (SMS) UNIT

2.4.1 The objective of Safety Management System is to provide a structured management approach to control safety risks in operations. Effective safety management must take into account the organisation's specific structures and processes related to safety of operations.

2.4.2 The prime objective of safety incident investigation is prevention. Finding the causes of an incident and taking steps to control or eliminate it can help prevent similar incidents from happening in the future.

2.4.3 Several activities were conducted in 2018 such as Safety Assessment refresher course, SMS Acceptance and Safety Performance Indicators (SPI), SMS, TEM, Safety Internal Audit, SMS Course, Safety Investigation course, MATS Vol. 1 review workshop and SMS Manual Review workshop

2.4.4 To date, 96.32% ATCOs have attended the SMS/TEM course which is a requirement for ATC licence holder.

2.5 STANDARD & AUDIT UNIT

The Standard and Audit Unit had been established within the ATM Sector effective 27th August 2018 and responsible in conducting internal safety audits related to ATS, AIS-CHART, SAR, PANS-OPS and CNS units. This is to ascertain the compliance and adherence to established procedures against required ATM provision including the relevant ICAO. In addition, it's also responsible to determine the effectiveness of the procedures. The internal audit activities will commence in 2019.

2.6 ICAO/PBN/MET UNIT FUNCTION:

2.6.1 Examining and analyzing documents, information and notifications from ICAO officials through BPU and ICAO website.

2.6.2 Prepare and complete all information that should be reported to ICAO and submit them

through the CAAM Strategic Affairs Division.

2.6.3 Drawing, planning and implementing 'PBN' across Malaysia's airspace.

2.6.4 Collaborate with MET Malaysia to channel meteorological information to the aviation community in Malaysia.

2.6.5 Draw, design and provide information / data / guidelines on KTU's operation in relation to meteorological aspects.

i. METEOROLOGY UNIT

Achievements and Activities throughout 2018

There are three main Committees established as a forum to discuss issues related to operations and meteorological management namely the Technical Working Group Committee (JKKT), the Meteorological Technical Committee for Airspace (JTMURA), and the Meteorological Management Committee for Air Space (JPMURA). JTMURA and JPMURA are held once a year while JKKT meeting is held as and when required.

Meetings (ICAO ASIA PACIFIC)

Apart from the activities of domestic meetings, the meteorological units had also sent their officers to attend meetings organized by ICAO ASIA PACIFIC Volcanic Ash Exercise

Volcanic Ash Exercise is one of the training programs that has been planned and also organized by ICAO, involving States in the Asia Pacific Region to create more organized and orderly disaster management. It is for avoiding accidents and also to reduce the amount of loss in the Aviation industry in the event of volcanic eruptions in States of Asia Pacific Region which will have a very large economic impact on the Aviation Industry. Last year the exercise was carried out in a tabletop exercise where the volcano simulation was of Sumatra Indonesia.

2.7 SEARCH AND RESCUE (SAR) UNIT

Search and Rescue unit is one of the component under the Air Traffic Management Sector, CAAM. The function of the SAR unit is to plan and implement Aeronautical Search and Rescue services and policies in Malaysia in line with the ICAO requirements to ensure that the service delivery system meets the vision and mission of the CAAM. There are a total of 114 SAR personnel in Malaysia.

ARCC/ARSC SAREX PARTICIPATION (In-House & Other Agencies)

1) COMMEX 2018 was organised by Ministry Of Health(Selayang Hospital). This Level II exercise was held in Selayang Hospital on 23 April 2018. Two (2) SAR Officers from SAR Unit Putrajaya participated as an Exercise Controller and an Umpire.



organised by Singapore RCC and BASARNAS Indonesia. This Level III Sarex was held between Singapore RCC and Kantor SAR Pekan Baru from 17–18 July 2018. Two (2) SAR Officers from KL ARCC participated as an Observer.

3) SAREX MALINDO 39/2018 wasco-organised by Malaysia (National Security Council (NSC), CAAM, various National SAR Agency) and BASARNAS Indonesia. This Level III Sarex was held between KL ARCC Subang and Kantor SAR Medan from 30 July – 3 August 2018. 22 SAR Officers from Peninsular, Sabah and Sarawak had participated as a Players, Exercise Controller, Umpire, Observer and Secretariat.

4) LATIH AMAL AEP KKIA 2018 was organised by Malaysia Airports Sdn Bhd (MASB) Kota Kinabalu. This Level III exercise was held in Kota Kinabalu Airport from 1-4 October 2018. 6 Officers from CAAM Kota Kinabalu and SAR Unit Putrajaya participated asPlayers and Umpires.

5) LATIH AMAL OPS MEX KENYALANG ke-20 was organised by Malaysia’s Fire & Rescue Department. This Level III exercise was held in Kuching from 12-14 October 2018. 4 SAR Officers from Kuching ARSC and SAR Unit Putrajaya participated as Players and Umpires.

6) LATIH AMAL KUL 2018 was organised by MASB Sepang. This Level III exercise was held in KLIA Airport from 17-20 October 2018. 4 Officers from CAAM Kota Kinabalu and Unit SAR Putrajaya participated as a Players and Umpires.

7) SAREX KK-KUC 2018 was co-organised by KK ARCC and KCH ARSC, supported by the HQ PutrajayaSAR Unit. This Level II (In-House) Sarex was held in Miri ARSC from 22–27 October 2018. 15 SAR Officers from Peninsular, Sabah and Sarawak had participated as Players, Exercise Controller, Umpires, Observers and Secretariat.

8) SAREX CAMAR 01/18 was co-organised by PETRONAS(MPM), CAAM and MMEA. This Table-Top Exercise was held at the CONVENTION

CENTRE, KLCC from 12–14 December 2018. 10 SAR Officers from Peninsular, Sabah and Sarawak participated as a Players, Exercise Controller, Umpires, Observers and Secretariat.

2.8 Communication, Navigation and Surveillance (CNS)

The Communication, Navigation and Surveillance (CNS) unit which forms part of the ATM Sector of the Civil Aviation Authority of Malaysia, ensures all facilities are available, ready and safe to support ATM operations. Air Traffic services require reliable and efficient systems to ensure aviation safety in Malaysia

This will require an efficient communication, navigation, surveillance (CNS) together with ATM application in Malaysia is in accordancewith ICAO Annex 10 requirement or any other document approved by the ICAO.

As this unit is involved in major components of the KLATCC and KK FIR project, all its activities are conducted in accordance to the projects modules.

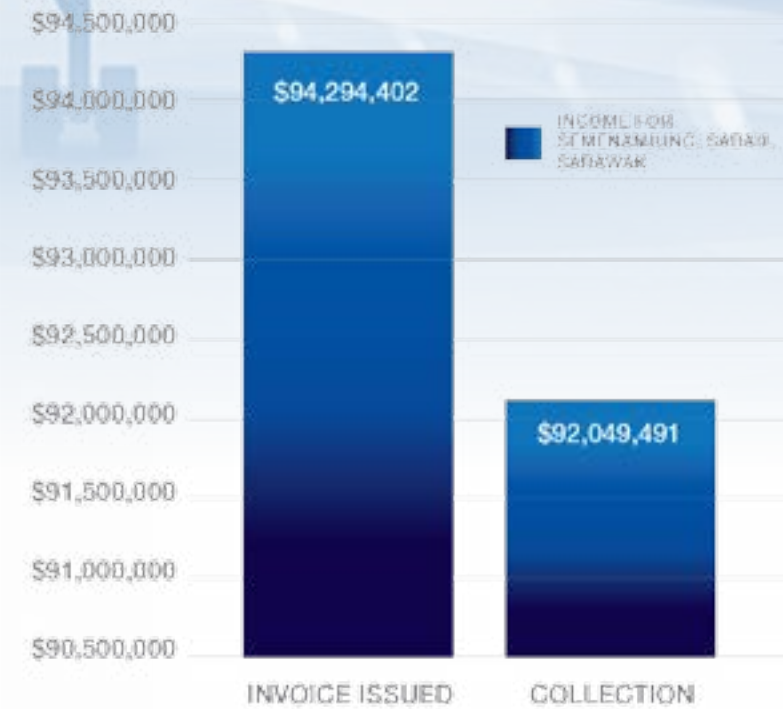


2.9 ANFC UNIT

Air Navigation Facility Charges (ANFC) Unit, is a Unit that bills operators flying through and within Malaysian FIR namely Kuala Lumpur and Kota Kinabalu FIRs. The calculation of charges is currently based on the MTOW and distance travelled.

ANFC Unit being the highest income bearer in CAAM had collected MYR 92.1 mil. (97.7% of invoice sent), for the year 2018. This figure represents revenue for Peninsular, Sabah and Sarawak.

COLLECTION FOR SEMENANJUNG, SABAH, SARAWAK
In the year of 2018, ANFC Unit has issued invoices, amounting to MYR94.2 million to a total of 375 active airline companies which comprises of local and international companies operating within Malaysia FIR.



The billing process has been upgraded from a manual system to a web based billing system. Information related to invoices, receipts, movement data, statement of account and any other data pertinent to navigation charges can be viewed/uploaded from theANFC Portal, which came to effect in January 2018.

Within months, ANFC had achieved acknowledgment from the airline operators. But the ANFC Portal only covers Peninsular billing process only. Sabah and Sarawak still issues separate billing.

Therefore, theANFC Unit has taken further steps and will introduce a one billing system – OBS. The implementation work is scheduled to begin in August 2019.

The OBS, based at the ANFC Unit CAAM HQ will collect and collate data from Peninsular, Sabah and Sarawak to produce a one invoice system to relevant airlines.

An online key-in data will be introduced at all airports. Stations will be responsible to key-in data manually on daily basis. The data will be linked to the ANFC Portal for billing purposes. The implementation work will run parallel with the OBS.

With this new feature and enhancement, we will be able to provide a better and quality and also strengthen the integrity of data and work process within ANFC Units in Malaysia.



PROFILE

In 1985, the Inspectorate Unit was established under the Air Traffic Services (ATS) Division, DCA with the objective to ensure that air traffic control officer (ATCOs) possess the knowledge, experience, competency, skill, physical and mental fitness in accordance with the provisions of ICAO Annex 1 to the Chicago Convention – Personnel Licensing. However, only the function of air traffic control (ATC) examinations was conducted by the Unit due to various constraints at that time. Subsequently, the licensing of ATCOs commenced on 1st January 1990; this requirement (Malaysia Civil Aviation Regulations 1996, Regulation 92) is applicable to all ATCOs in DCA, including the Royal Malaysian Air Force (RMAF), in particular for ATCOs who control civil traffic.

In view of the Unit's increased activities related to additional scope of job functions and responsibilities in ATS, the Unit was upgraded to a Division in 2002. The newly established ATS Inspectorate Division comprised of suitably qualified ATCOs who are selected based on their specific work experience, knowledge and attributes.

Following the ICAO Universal Safety Oversight Audit Programme (USOAP) in 2005, other than the safety oversight of ATS, the functions and responsibilities of the ATS Inspectorate Division were expanded to include safety oversight in other areas of air navigation services (ANS), namely Procedures for ANS-Aircraft Operations (PANS-OPS), Aeronautical Information Services (AIS), Aeronautical

AIR TRAFFIC INSPECTORATE

AIR TRAFFIC

Charts (CHART), Communication Navigation and Surveillance (CNS), Aeronautical Meteorology (MET) and Search and Rescue (SAR). The renamed Air Traffic Inspectorate Division, or known as BIT, was vested with regulatory responsibility to ensure that the ANS providers implement ANS-related provisions in accordance with the national legislations and all ANS-related ICAO Annexes, namely Annex 1 Personnel Licensing (ATC licensing & ATC-ATO (Approved Training Organization) portions only), Annex 2 Rules of the Air, Annex 3 Meteorological Service for International Air Navigation, Annex 4 Aeronautical Charts, Annex 10 Aeronautical Telecommunications, Annex 11 Air Traffic Services, Annex 12 Search & Rescue, Annex 15 AIS, and including Annex 5 Units of Measurement to be used in Air and Ground Operations.

In April 2015, the regulatory functions of the BIT were further re-aligned to focus on the safety oversight of the ANS providers for ATS, PANS-OPS, AIS, CHART, MET and SAR excluding CNS (which is now vested with the Airport Standards Division). Consequently, the applicable ICAO Annexes that relate to the BIT’s safety oversight functions are Annex 1 Personnel Licensing (ATC licensing portion only), Annex 2 Rules of the Air, Annex 3 Meteorological Service for International Air Navigation, Annex 4 Aeronautical Charts (Instrument Chart portion only), Annex 11 Air Traffic Services, Annex 12 Search & Rescue, Annex 15 AIS and Annex 19 Safety Management (ATS portion only).
(Note: All references below to ANS shall exclude CNS).

FUNCTION

The BIT is the regulatory body that oversees the provision of ANS by the ANS providers to ensure compliance with the national legislations, namely the Civil Aviation Act 1969 and the Civil Aviation Regulations 2016, together with its related ICAO Annexes to the Chicago Convention and ICAO Docs.

PROGRAMME & ACTIVITIES

The develops and establishes the BIT standards, and performs safety oversight activities with the sole aim of regulating the ANS providers. The Air Traffic Inspectorate Directives (ATIDs), Director General Directives,

Air Navigation Services Regulatory Manual (ANSRM) and Air Navigation Services Standards Directives (ANSSD) contains the requirements and procedures pertaining to the provision of the ANS, based mainly on the standards and recommended practices (SARPs) of ICAO Annexes to the Chicago Convention, other ICAO documents and best practices, as may be determined by the AND, to be applicable in Malaysia.

- The 3 units in BIT are:
- (i) Safety Oversight Audit (SOA) Unit
 - (ii) ATC Licensing Unit
 - (iii) ATC Examinations Unit

The respective functions, programmes and activities in 2018 of the 3 units are detailed below:

(1) Safety Oversight Audit (SOA) Unit
Inspection of ANS Providers are conducted to effectively regulate the provision of ANS. The BIT schedules formal annual audits and inspections, and also, random inspections (as and when required) for which no prior notification is given to ANS providers. The audits/inspections utilise protocol questions and compliance checklists to evaluate the level of adherence to stipulated national legislations, and ANS-related ICAO Annexes to the Chicago Convention and ICAO documents, including best practices. The BIT also conducts oversight of the ATS provider’s safety management system (SMS) to ensure its implementation by all Air Traffic Service Units (ATSUs), including compliance with stipulated requirements. Currently, the ANS providers that are regulated by the BIT include the Air Traffic Management Sector of CAAM, Malaysian Meteorological Department, RMAF and the Malaysian Army.

- (a) ICAO USOAP
The process of taking corrective action to the 2016 ICAO USOAP findings is an ongoing activity. These involves the updating and implementation of corrective action plans (CAPs) via the ICAO USOAP continuos Monitoring Approach (CMA) Online Framework (OLF) web page.

- (b) BIT Safety Oversight Audit of Air Traffic Services operating units

STATION	FACILITIES	DATE	NO.	ATSU	ON-SITE AUDIT DATE	INTERIM REPORT	CAPS SUBMISSION BY ATSU
Kota Kinabalu	ACC and Aerodrome Control	6 – 9 Mar	1	Kota Kinabalu	6 – 9 Mar 2018	06 Apr 2018	04 May 2018
Sibu	Aerodrome and Approach Radar Control	23 – 26 Apr	2.	Sibu	23 – 26 Apr 2018	25 May 2018	29 June 2018
Sandakan	Aerodrome and Approach Control	23 – 26 Oct	3	Sandakan	23 – 26 Oct 2018	23 Nov 2018	28 Dec 2018

- (c) BIT audit team uses the audit protocol questions – Air Traffic Management and previous audit report, as tools to conduct safety oversight audits as a way to monitor the air traffic service system. The relevant Air Traffic Inspectorate Directives, ICAO Annexes, documents and manuals were used to identify differences between ATSUs practices and those established by Air Traffic Inspectorate Division.

- (d) Certification of ATC - ATO
ATC-ATO here refers to an organisation that is responsible for the training of ATCOs. Such an organisation is required to demonstrate its capability to provide ATC training by holding an ATC-ATO approval certificate that is issued by the CPO. The BIT conducts a regular oversight programme, including random inspections on the approved ATC-ATO to ensure continuing compliance with the approval requirements, as required in MCAR 2016 and ANNSD.



AIR TRAFFIC INSPECTORATE

ATC ATO approval certificate were issued to MAVa and INSPRA (RMAFATC) on 12/03/2015 and 19/01/2016 respectively with validity a period of 3 years.

In 2018, BIT conducted audit on MAVa and INSPRA as per table and graph below.

ATC ATO	CERTIFICATE NO	VALIDITY	AUDIT DATE	REMARK
INSPRA	ATC – ATO 01/2016	18 Jan 2019	22 – 24 Jan 2018	Annual Audit
MAVA	ATC – ATO 01/2015	11 Mar 2018	12 – 14 Feb 2018	Certification renewal (certificate issued)
INSPRA	ATC – ATO 01/2016	11 Mar 2018	7 – 8 Aug 2018	Application for variation of new simulator RSS

(3) ATC EXAMINATION UNIT

ATC Exams activities include all ATC courses at ATC approved training organisations (ATC-ATOs) that are approved by the Director General Civil Aviation (DGCA) and operational ATC examinations at the ATS units that control civil traffic. However, some functions are delegated to designated ATC Examiners who are appointed on a two-year basis by the DGCA.

The ATC Examinations unit also handles English Language Proficiency (ELP) Assessment is required for ATCOs. They must meet the minimum required proficiency level for radiotelephony communications i.e. Level 4 in accordance with ICAO Annex 1 to the Chicago Convention. Implemented on 31 March 2011, an ATC Licence will not be issued or renewed unless the applicant has achieved a minimum Level 4 ELP.

ELPT activities include the scheduling of raters and test-takers, location of tests and the management of ELPT including results dissemination to test-takers.



FLIGHT OPERATIONS

MISSION

- To Provide the Highest Standard of Safety and Quality in Flight Operations of Malaysian Civil Aircraft

OBJECTIVES

- To achieve the highest level of Flight Safety through regulating and administering standards applicable to flight crew licensing.
- To achieve the highest level of Flight Safety through the issuance and renewal of Air Operators Certificate and the continuous surveillance of Air Operators.

- To achieve the highest level of Flight Safety through certification of flight crew training organizations.
- To achieve the highest level of Flight Safety through certification of flight simulators.
- To achieve the highest level of Flight Safety through the continuous surveillance of General Aviation and Aerial Work operations.
- To provide technical assistance and expertise when required to Air Accident Investigation Bureau (AAIB) of Malaysia during aircraft accident investigation to learn and prevent future accident.



ACTIVITIES

SER	ACTIVITIES	PLANNED	ACTUAL			
01	AIR OPERATOR CERTIFICATES FAOC	28 60	28 60	09	RE-QUALIFYING PROGRAMME (RQP)	27
02	CERTIFICATE OF APPROVAL APPROVED FLYING TRAINING ORG	08 (AATA)	08	10	CREW RESOURCE MANAGEMENT INSTRUCTOR INITIAL QUALIFYING (CRMI)	05
	APPROVED TYPE RATING TRNG ORG	24	24	11	CABIN SAFETY INSTRUCTOR QUALIFYING	04
	FLYING CLUBS	12	12			
	ENGLISH PROFICIENCY CENTRES	02	02			
03	FOREIGN AOC SURVEILLANCE STATION AUDITS	01 INTERNATIONAL: 30 DOMESTIC: 11	01 26 11	12	INSTRUCTOR RE-APPROVAL	01
04	RAMP INSPECTIONS	08	08	13	INVIGILATOR QUALIFYING	02
05	FLIGHT SIMULATOR TRAINING DEVICE (FSTD)	NUMBER OF FSTD: MAB: 09 CAE: 11 AIRBUS HELI: 02 PWN: 01 RAYA: 01 MFA: 06 HMA: 02 HELANG: 01 LAYANG2: 01 IATAC: 03	09 11 02 01 01 06 02 01 01 03	14	EXAMINER QUALIFYING	01
06	AUTHORISED EXAMINER COURSE (AE)	4 COURSES	04 COURSES	15	LICENSES ISSUANCE	303
07	EXAMINATIONS	12	30			24
08	INITIAL QUALIFYING PROGRAMME (IQP)		27			118
						117
						53
						08
						64
						41
						301
						97
						22

- STUDENT PILOT
LICENCE (SPL)
- PRIVATE PILOT
LICENCE (PPL)
- COMMERCIAL PILOT
LICENCE (CPL)
- AIRLINE TRANSPORT
PILOT LICENCE (ATPL)
- FLIGHT SIMULATOR
INSTRUCTOR (FSI)
- FLIGHT SIMULATOR
EXAMINER (FSE)
- AUTHORISED
EXAMINER (AE)
- TYPE RATING
INSTRUCTOR (TRI)
- VERIFICATIONS
- VALIDATIONS
- RADIO TELEPHONY
OPERATING LICENCE
(RTOL)





AERODROME CERTIFICATION

- Public transport aerodrome
- Non Public transport aerodrome



SAFETY MANAGEMENT

- Safety management system



CNS/ATM CERTIFICATION

- CNS/ATM
- Flight calibration



APPROVED TRAINING ORGANIZATION (ATO) CERTIFICATION

- ATSEP
- Aerodown operation related



OLS APPROVAL

- OLS approval
- Obstacle lighting approval



NEW AERODROME DEVELOPEMENT

RULES & REGULATION

- CIVIL AVIATION ACT 2017
- MCAR 2016 (AMENDMENTS 2019)
- MCAR (AERODROME OPERATIONS) 2016 (AMENDMENT 2018)
- MCAR (FEES & CHARGES) 2016 (AMENDMENT 2019)

ICAO SARPS

- ANNEX 10
- ANNEX 14
- ANNEX 19

The primary role of Aerodrome Standards Division is to regulate and enforce legislations and standards related to aerodrome activities in ensuring safe and efficient operations for public safety in the vicinity of aerodromes.

AERODROME STANDARDS

1.1 CERTIFICATION OF AERODROME - HELIDECK

1.1 CERTIFICATION OF AERODROME - HELIDECK

In 2018, Aerodrome Standards Division is focusing on Helideck Certification Process. All offshore helidecks and mobile helidecks operating in Malaysia intended for Commercial Air Transport use shall obtain Certificate of Aerodrome from the Civil Aviation Authority of Malaysia. The helideck operator is to ensure the Certificate of Aerodrome is obtained prior to helicopter operations. The certificate is to ensure that the helideck area is in compliance with the Civil Aviation Authority of Malaysia Directives and safe for helicopter operations.

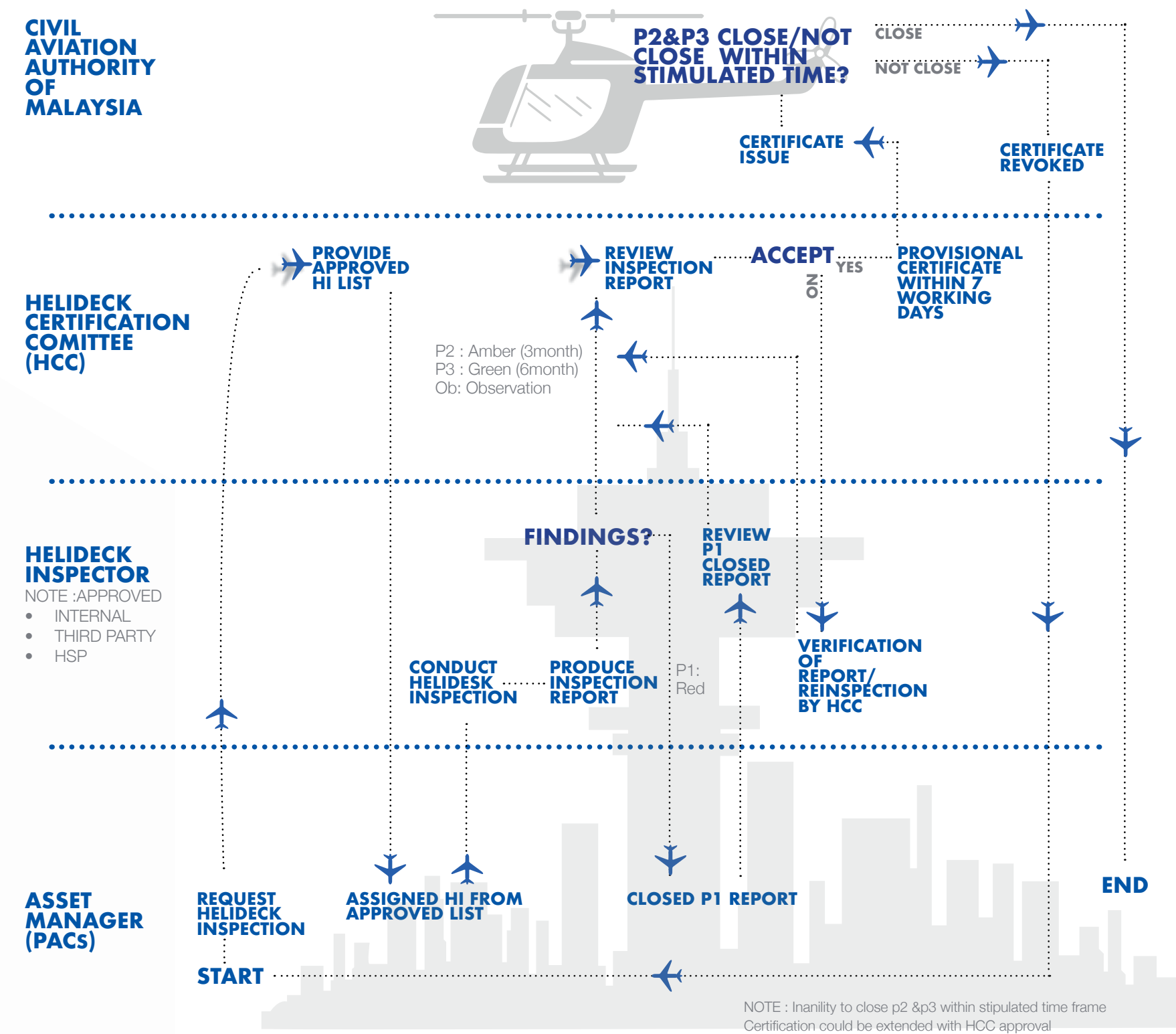
Until 31 of December 2018, a number of Fifty (50) helideck have passed certification process. Thirty-two (32) helidecks are in the fixed type, while eighteen (18) helidecks of the mobile type.

1.2 PROCESS OF HELIDECK CERTIFICATION

The certification process involves 3 parties; helideck owners as the processor to helideck certification, CAAM HCC as the certification report reviewer and CEO of CAAM as the signatory of the certificate. Prior to the issuance of CAAM Helideck Certificate with 2-years validity, the process as stipulated in Figure 1 shall be satisfied.



FLOW CHART FOR HELIDECK CERTIFICATION.



The helideck owner shall assign CAAM certified Helideck Inspector to carry out the helideck inspection. The inspection shall be done by third party helideck inspector. The list of CAAM certified helideck inspection companies is available in CAAM website. The helideck inspection shall include physical inspection of the helideck and equipment, gathering of evidence for training and tests, and interview of the helideck crew. All non-compliances shall be categorized as Major Non-compliance - Priority 1 (P1), Minor Non-compliance - Priority 2 (P2) or Priority 3 (P3) or Observations.

Upon completion of the report, the helideck owner is responsible to rectify the major non-compliances (P1) prior to certification

application and report submission. The helideck owner or contracted third party inspector shall submit the application and related documents to Aerodrome Standards Division (CAAM).

Aerodrome Standards Division (CAAM) will appoint the Reviewer to review the report of inspection. The Reviewer will ensure the Helideck Inspection Report is acted upon satisfactorily, all related documents are available and valid, and the major non-compliances are rectified. The Reviewer will recommend for Certification and submit the softcopy of the corrected Helideck Inspection Report to Aerodrome Standards Division (CAAM).

AGA TRANSFORMATION BLUEPRINT
EVOLVING THE (AGA) COMPLIANCE SYSTEM

	PRE - 1986 INDUSTRIAL 1.0 & 2.0 ERA	1986 - 2017 INDUSTRIAL 3.0 ERA	TOWARDS 2020 & BEYONDINDUSTRIAL 4.0 ERA
MALAYSIAN ENVIRONMENT	NO PERSONAL COMPUTERS OR INTERNET, RELIANCE ON TV AND PRINT MEDIA.	EMERGENCE OF PERSONAL COMPUTERS, THE INTERNET AND MOBILE DEVICES, AND CHANGING COMMUNITY EXPECTATION.	GLOBALIZATION, DIGITAL ECONOMY, SOCIAL MEDIA, RAPIDLY CHANGING COMMUNITY EXPECTATIONS, DIGITAL BY DESIGN.
STYLE OF WORKPLACE	FOCUS ON INDIVIDUAL, RIGID PROCEDURES AND RULES.	INCREASED FOCUS ON TEAMS AND MULTITASKING, RIGID PROCEDURES AND RULES.	AGILE AND EMPOWERED NETWORKS OF INDIVIDUAL AND TEAMS.
PRIMARY MEDIUM	PAPER RECORD.	PAPER MOVING TO ELECTRONIC RECORDS.	INTEGRATED DIGITAL SOLUTIONS.
BUSINESS DESIGN FOCUS	INTERNALLY FOCUSED.	LISTENING TO THE COMMUNITY.	FOSTER WILLING PARTICIPATION BY MAKING IT EASY TO GET THINGS RIGHT AND HARD NOT TO.
RISK CULTURE	0% RISK TOLERANCE.	RISK AVERSION.	SENSIBLE RISK MANAGEMENT.
RISK APPROACH	NO RISK DIFFERENTIATION, RANDOM SELECTION.	COMPLIANCE MODEL AND RISK DIFFERENTIATION FRAMEWORKS.	TAILORED ENGAGEMENT BASED ON RISK.
COMPLIANCE FOCUS	100% ASSESSMENT	RISK BASED INSPECTIONS AND AUDITS.	INCREASING VOLUNTARY COMPLIANCE.

FUTURE EXPERIENCE

Reinventing the clients & staff experiances in aerodrome is underpinned by our cultural transformation. We will focus delivery of this change through six strategic programs



3. TAILORED Aerodrome and Ground Aids (AGA) REGULATORY ENGAGEMENT & SUPPORT





The Aviation Security division (AVSEC) is responsible for safe guarding domestic and international civil aviation against acts of unlawful interference, as guided by the ICAO main reference of Annex 17 1 as DOC 8973.

The AVSEC Division processes and issues approval related to transportation of dangerous Goods by air such as radioactive material, weapons, ammunition and explosive. Review of laws and operational audits are performed periodically to ensure safety based on ICAO Annex 18 and OC 9284.

It is also to coordinate the implementation of Annex 9 on Aviation Security related standard.

Safe guarding civil aviation against acts of unlawful interference. This objective is achieved by a combination of measures and human and material resources”

While 2017 was a challenging year for the aviation industry, though Aviation Security Division (AVSEC) successfully implemented countless programme and activities, each fulfilling a specific need to address global security scenario, to fulfil industry requirement and to meet the essential requirement for security and efficiency in the Malaysian skies.

AVSEC Division is committed to maintain the highest standards in aviation security required by ICAO for all airports in Malaysia.

AVSEC is responsible to safeguards domestic and international civil aviation against act of unlawful interference in accordance with the ICAO Annexes 17 and 18.

AVSEC is responsible for safeguarding domestic and international civil aviation against acts of unlawful interference, as guided by the ICAO Annexes 9, 17 and 18, as well as DOC 8973 and DOC 9284

VISION

Attain a safe, secure and efficient regional aviation industry

MISSION

To develop, promote and coordinate implementation of sustainable civil aviation safety and security oversight systems in the Partner States.



Program and Activities

Aviation Security Programs are developed by relevant organisations to ensure that the level of security measures within an airport, airlines, cargo, catering, foreign airlines, dangerous goods and at vital installations satisfies national laws and ICAO standards. This includes security requirements during airport construction and renovation. The program defines laws, standard and regulation of aviation security associated to Airlines Security Programme which is based on NCASP and ICAO regulation. The Division also reviews the standard operating procedure of security units and evaluates Contingency Plans.

Transportation of Dangerous Goods by Air shall abide by laws, standards and regulations as stipulated by ICAO. The AVSEC Division processes and issues approval related to carriage of dangerous goods such as radioactive material, weapons, ammunition and explosive. Reviews of laws and operational audits are performed periodically to ensure safety.

Investigation function carried out by this Division covers unlawful interferences and incidents related to carriage of dangerous goods by air. Intelligence information regarding aviation security issues from official and reliable sources is gathered, process, screened and circulated, to assist in the prevention of smuggling activities.

Training Certification endorses institutions and programs which are based on the National Security Training Programme. Subsequently, the Division also certifies aviation security staff as competent to perform passenger screening functions.

Quality Control programs are conducted to organisations associated with operations closely related to aviation security, such as Regulated Agents, catering companies, ground handlers, training institutions, national carriers and air transportation companies. The Division liaises with these organisations to conduct survey, observation and testing

SCOPE OF WORK

The Aviaiton Security Division is responsible for safeguarding domestic and international civil aviation againts acts of unlawful interefence, as guided by the National Civil Aviation Security Programme (NCASP), ICAO Annexes 9 (Facilitation), 17 (Security) and 18 (Safe Transport of Dangerous by Air), as well as DOC 8973 (Aviation Security Manual) and Doc 9284 (Technical Instructions for the safe transport of dangerous goods). The aviation indsutry and its related processes, fucntions and activities as critical insfracture in regards to public safety, economic advancement and the promotion of free trade and international commerce.In doing so, AVSEC CAAM functions are:

- 1. National Civil Aviation Quality Programme (Standard 3.4.4. Annex 17) with audit,inspection, screening and testing.
- 2. National Civil Aviation Security Training Programme (Standard 3.1.6 Annex 17) with airlines,cargo,catering and airports.
- 3. Approval of security programme with Airports,Airlines,Cargo,Ground Handler, Catering and Pos Malaysia.



- 4. Transporting Dangerous Goods by Air (Permit : Ammunition,Radioactive, weapons) , (Issuing Dangerous Goods Card) and (Blanket Approval by airlines)
- 5. Investigation (Security and Dangerous Goods by Air Transport)

Quality Control

Quality Control programs Standard 3.4.4 Annex 17 (10th Edition, April 2017)

AVSEC were conducted to organisations associated with operations closely related to aviation security, such as Regulated Agents, catering companies, ground handlers, training institutions, national carriers and air transportation companies. The program were be separated as an activities like following below:

QUALITY CONTROL	TOTAL
INTERNATIONAL AIRPORT SECURITY ASSESSMENT	6
DOMESTIC AIRPORT SECURITY ASSESSMENT	6
TESTING (MONITOR THE EFFECTIVENESS OF THE SECURITY MEASURES NCASP, 11.6)	6
MONITORING (BASED ON OPERATION IN AN AIRPORT, WAREHOUSE, OFF AIRPORT)	8
TOTAL	26



RAMP CHECK

Ramp Check is the Security Assessment as required by Civil Aviation Regulation 2016. This security assessment will focus on the aviation security arrangements by domestic airlines which is they will be start operate in an international airport. AVSEC CAAM will focus conducting security assessment by airlines administration office, check-in counter, passenger flow from check in counter to the gate, passenger screening/LAGS process, baggage screening/OOG screening, baggage make-up/ break-up area, observation cabin baggage screening area, cargo terminal, aircraft and in-flight catering.

AIRLINES	FEB	MAC	AUG	NOV	AUG
AIR ASIA X				KUNMING CHINA	
				AUCKLAND NEW ZEALAND	
MALINDO AIRWAYS	PHNOM PENH CAMBODIA	HAIKOU CHINA	MELBOURNE AUSTRALIA		MELBOURNE AUSTRALIA

Certification X-RAY MACHINE

Aviation Security (AVSEC) CAAM is responsible for certification X-ray machine is to detail the criteria that airport operators, aircraft operators, regulated air cargo agents, regulated postal authorities and other entities engaged in civil aviation security shall employ for the procurement, operation and maintenance of x-ray machine used in support of aviation security at airports in Malaysia. X-Ray machine used in support of aviation security including equipment test pieces (i.e : Combine Test Piece/Operational Test Piece/Improvise Explosive Device) shall be refer and approved by CAAM in accordance with the guidelines outlined in Appendix D and F of National Civil Aviation Security Programme. In 2018, AVSEC had successfully conducted 13 certification at International and domestic airports ; 3 airports and 10 cargo airlines. Numbers of x-ray certification conducted by AVSEC is shown in Figure 2.



AIR TRANSPORT



The Air Transport Division is one of the division under the Civil Aviation Authority of Malaysia (CAAM) comprising of The ICAO and International Unit, The Aviation Industry Unit and The Statistics Unit. The primary role of the division is to promote for a safe, secure, sustainable, efficient and economical aviation industry.

The Division promotes aviation safety and contributes to the nation's economy through the approval of flight schedules for local and foreign aircraft and/or airline operators. It works closely with airline operators and other stakeholders in aviation to facilitate the sustainability and growth of the civil aviation industry.

The division is also the focal point for matters associated to the International Civil Aviation Organisation (ICAO) and international aviation industry matters by coordinates compliance to international standards and obligations.

The Division also collects and disseminates statistics on aviation and responsible for producing aviation statistical data.

ACTIVITIES AND ACHIEVEMENTS

AVIATION INDUSTRY UNIT

In accordance with international practice, approvals are given for scheduled flights for summer and winter schedules. Approvals are also given for non-scheduled flights, fares and cargo rates. In 2018, the division issued 185 flight approvals for summer schedule (effective from 25th March 2018 to 27th October 2018) and 279 flight approvals for winter schedule (effective from 28th October 2018 to 24th March 2019). (Refer Graph: Flight Approvals for Schedule Flights 2018).

Flight Approvals FOR SCHEDULE FLIGHTS (2018)

For non-schedule operations, 13,524 applications were approved of which 3,437 were for General Aviation, 8,058 Overflights, 502 Charter,294 Ad-Hoc Technical Landing, 288 Medivac, 113 Diplomatic Clearance, 479 Ferry/Delivery, 89 Training/Test, 86 Technical Stop/Refuel and 178 Others. [Refer Table: Number of Flight Approvals for Non-Schedule Flights (2018) and Graph: Flight Approvals for Non-Schedule Flights (2018)]

The Aviation Industry Unit also issues recommendations for setting up of an aviation company and involved in expatriate employment application processing. The total of 227 applications on expatriate employment were approved by the division for the period of January to December 2018.

The Unit also involves in issuance of Dangerous Goods Permit and it is in coordination with Flights Operations Sector and Aviation Security Division. The total of 43 Dangerous Goods permits were issued for the period of January to December 2018.

The Unit takes part in issuance of Drone Permit in collaboration with Air Traffic Management Sector and Flights Operation Sector. The total of 574 Drone Permits were issued for year 2018.

ICAO AND INTERNATIONAL UNIT

Malaysia is an ICAO contracting state. The ICAO and International Unit acts as the focal point for ICAO matters and coordinates responses on standards and recommended practices, safety and security oversight audits, meetings & training programs as well as other aviation related programmes and events. The ICAO and International Unit also participates in managing aviation issues such as liberalisation, ASEAN, D8 and APEC on a regional and international level.

This unit also is the focal point who will be in contact with the Aviation Commissions worldwide such as the European Civil Aviation Commission (ECAC), the Latin American Civil Aviation Commission (LACAC), the African Civil Aviation Commission (AFCAC), the Arabian Civil Aviation Commission (ACAC) and the Caribbean Aviation Safety and Security Oversight System (CASSOS) on other aviation related matters.

The Unit also plays a crucial role in the coordination and facilitation on current issues related to sustainable aviation such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA),the ICAO Cooperative Arrangement for the Prevention of Spread of Communicable Disease through Air Travel (CAPSCA), The Cooperative Development of Operational Safety & Continuing Airworthiness Programme – South East Asia (COSCAP-SEA) and the Cooperative Aviation Security Programme (CASP AP0.

After the establishment of the Civil Aviation Authority Malaysia (CAAM), this Unit acts as the Secretariat to the Members of CAAM Authority and facilitated in the coordination and arrangement for the meetings of the Members.

NO	EVENT / PROGRAM	DETAILS	VENUE	DATE
1	IATA - ICAO CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION (CORSIA) WORKSHOP	IATA-ICAO CORSIA WORKSHOP JOINTLY ORGANIZED WITH ICAO WAS HELD IN SINGAPORE TO ASSIST AIRLINES AND AUTHORITY IN DEVELOPING AN UNDERSTANDING OF THE EMERGING PRINCIPLES THAT WILL GOVERN CORSIA AND ALLOW INDUSTRY PARTICIPANTS TO SHARE EXPERIENCES.	IATA, SINGAPORE	8 FEBRUARI 2018
2	THE ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) WORKSHOP BY EASA-EU SEA AVIATION PARTNERSHIP PROJECT	THE OBJECTIVE OF THE EMS WORKSHOP IS TO AID STATES IN IDENTIFYING, REDUCING AND MANAGING THEIR MAJOR ENVIRONMENTAL RISKS AND LIABILITIES, BY DISCUSSING THE STATUS OF AIRPORT ENVIRONMENTAL MANAGEMENT SYSTEMS IN ASEAN, SHARING EXPERIENCE AND BEST PRACTICE, AND ANALYSING THE POTENTIAL BENEFITS OF A SYSTEMATIC APPROACH TO IDENTIFY, MONITOR, REPORT, EVALUATE AND COMMUNICATE ENVIRONMENTALPERFORMANCE INDICATORS AS APPLIED TO AIRPORTS IN THE REGION. THE WORKSHOP WAS PARTICIPATED BY OFFICERS FROM CAAM & MAHB.	ICAO ASIA & PACIFIC OFFICE, BANGKOK, THAILAND	25 - 26 FEBRUARY 2019
3	THE DRONE EXHIBITION AND OFFICIAL LAUNCHING OF CAAM'S LOGO	THE OFFICIAL LAUNCHING OF CAAM'S LOGO WAS HELD DURING THE HONOURABLE MINISTER OF TRANSPORT EVENT. A DRONE EXHIBITION WAS ALSO CONDUCTED DURING THE EVENT. THE EVENT ATTRACTED A HUGE NUMBER OF CROWDS AND WAS PARTICIPATED BY MOT AND CAAM OFFICERS.	BENTONG, PAHANG	24 MAC 2018
4	ICAO REGIONAL SEMINAR ON CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION (CORSIA)	THE 39TH ICAO ASSEMBLY ADOPTED RESOLUTION A39-3 IN WHICH IT WAS DECIDED THAT ICAO AND MEMBER STATES TAKE ALL NECESSARY ACTIONS IN PROVIDING CAPACITY BUILDING AND ASSISTANCE FOR IMPLEMENTATION OF CORSIA. THE OBJECTIVE OF THE REGIONAL SEMINARS IS TO SHARE INFORMATION ON THE CORSIA IMPLEMENTATION REQUIREMENTS, AMONG RELEVANT STAKEHOLDERS INVOLVED IN THE CORSIA IMPLEMENTATION. THE WORKSHOP FOR 2018 FOCUSED ESPECIALLY ON THE OUTLINE FOR THE FRAMEWORK IN THE IMPLEMENTATION OF CORSIA.	BRISBANE, AUSTRALIA	16 – 18 APRIL 2018
5	COLLABORATIVE ARRANGEMENT FOR THE PREVENTION AND MANAGEMENT OF PUBLIC HEALTH EVENTS IN CIVIL AVIATION (CAPSCA) TENTH MEETING - (CAPSCA-AP/10)	THE CAPSCA PROGRAMME IS AN ICAO PROGRAMME TO ASSIST STATES TO DEVELOP PREPAREDNESS PLANS AND RESPOND TO PUBLIC HEALTH EVENTS SUCH AS PANDEMIC INFLUENZA, THE SEVERE ACUTE RESPIRATORY SYNDROME (SARS) AND THE EBOLA VIRUS THAT COULD NEGATIVELY IMPACT THE AVIATION SECTOR. THE YEARLY MEETING WAS ORGANISED BY ICAO APAC AND MALAYSIA WAS REPRESENTED BY CAAM.	ICAO ASIA & PACIFIC OFFICE, BANGKOK, THAILAND	22-23 NOVEMBER 2018
6	EASA - ARISE PLUS 1ST PASSENGER PROTECTION WORKSHOP	EASA - ARISE PLUS 1ST PASSENGER PROTECTION WORKSHOP IS A PROJECT ORGANIZED BY EASA IN ORDER TO ENHANCE CONNECTIVITY AND SECTORAL COOPERATION IN TRANSPORT IN ASEAN, INCLUDING ENHANCEMENT OF THE PASSENGER PROTECTION AMONG THE ASEAN CIVIL AVIATION AUTHORITIES.	BRUNEI	4 - 6 DECEMBER 2018

NO	EVENT / PROGRAM	DETAILS	VENUE	DATE
1	COOPERATIVE AVIATION SECURITY PROGRAMME ASIA PACIFIC REGION (CASP-AP), THE SIXTH ANNUAL TECHNICAL AND OPERATIONAL MEETING (6TH ATOM)	THE ATOM IS A FORUM FOR DISCUSSION OF TECHNICAL AND OPERATIONAL REQUIREMENTS, AND DIRECTION ON A RANGE OF KEY AVIATION SECURITY IMPLEMENTATION CHALLENGES AND TO INFORM THE ANNUAL WORK PROGRAMME (AWP) OF ASSISTANCE NEEDS FOR 2018-19. THE 6TH ATOM WAS HOSTED BY MALAYSIA AND PARTICIPANTS FROM ALL APAC COUNTRIES WERE HERE TO REVIEW AND DISCUSSED ON ISSUES RAISED AT PREVIOUS ATOMS TO EVALUATE THE ASSISTANCE BEING PROVIDED BY CASP-AP TO ADDRESS THE ISSUES.	ALOFT HOTEL, KUALA LUMPUR	12 – 13 FEBRUARY 2018
2	PROGRAM LATIHAN PENGARAH (PROLAP) ANGGOTA CAAM BERSAMA PENGARAH SEKTOR DAN BAHAGIAN CAAM	PROGRAM LATIHAN PENGARAH (PROLAP) IS A PROGRAM SPECIALLY DESIGNED TO DIVE DEEP INTO WHAT IT MEANS TO BE A BOARD/DIRECTOR IN IDENTIFYING THE COMPANY’S KEY STAKEHOLDERS AND OUTLINING THE NATURE OF DIRECTORS’ RESPONSIBILITIES TO EACH STAKEHOLDER GROUP. THE 2 DAYS PROGRAM WERE PARTICIPATED BY ALL THE MEMBERS OF CAAM AND ALSO ALL DIRECTORS OF CAAM.	HOTEL SAMA-SAMA, KLIA	14 APRIL 2018
3	BUSINESS PLAN CAAM - THE WAY FORWARD OF THE BUSINESS PLAN FOR CAAM	THE MEETING ON THE BUSINESS PLAN OF CAAM IS A PROGRAM STEERED BY ONE OF THE MEMBER OF CAAM TOGETHER WITH A UTM CONSULTANT. THE 3 DAYS PROGRAM WERE PARTICIPATED BY ALL THE DIRECTORS AND SENIOR OFFICERS OF CAAM AND THE WAY FORWARD OF THE BUSINESS PLAN FOR CAAM WAS CRAFTED.	HOTEL EQUATORIAL, MELAKA	1 – 3 JULY 2018
4	ICAO CIVIL AVIATION AUTHORITY SENIOR AND MIDDLE MANAGERS TRAINING COURSE: MANAGING COMPLIANCE OF ICAO SARPS	THIS TRAINING, IN COLLABORATION WITH ICAO APAC AND CAAM WAS FUNDED BY THE CHINA SOUTH-SOUTH COOPERATION ASSISTANCE FUND, AND AIMED AT SENIOR AND MIDDLE MANAGERS OF CIVIL AVIATION AUTHORITIES (CAAS). THE TRAINING IS AIMED TO ENHANCE THE UNDERSTANDING OF EFFECTIVE SAFETY AND SECURITY OVERSIGHT SYSTEMS AND ALSO TO APPLY KNOWLEDGE AND UNDERSTANDING TO ASSIST MEMBER STATES TO IMPROVE IN THE IMPLEMENTATION OF ICAO SARPSS.	HOTEL SAMA-SAMA, KLIA	3 – 7 DECEMBER 2018

STATISTICS UNIT

The Unit provides statistical information on the Passenger, Cargo, Aircraft and Mail Movements at All Malaysia Airports. Data of Air Traffic Statistics at all airports are collected in coordination with airport operators; namely;

- Malaysia Airports Holdings Berhad-MAHB (data for all airports excluding Johore Bharu and Kerteh Airport),
- Senai Airport Terminal Services-SATS (data for Johore Bharu Airport)
- PetroliaM Nasional-PETRONAS (data for Kerteh Airport)

For the period of 2014-2018, Passenger Movements increases by 19.57%, Aircraft Movements increases by 7.71%, meanwhile the cargo movements and mail movements decreases by 3.12% and 31.05%, respectively. (Refer Appendix: Aviation Statistics)

The Statistics Unit provides report on the Malaysia Airlines (MAS), AirAsia (AXM), AirAsia X (XAX), Firefly (FFM), MasWings (MWG) and Malindo Air (MXD) On-Time Performance, Delays, Cancellation and Retime at 23 Airports. The OTP Report is submitted to the Aviation Division of Ministry of Transport on a monthly basis to be included in notes of cabinet ministers.

The Unit also plays a role as the coordinator for Compilation and Submission of Data Pertaining to Air Transport Reporting Form (ATRF). The data collected from all Malaysia airline operators and submitted to ICAO Air Transport Bureau.

The Unit also involves in compilation and submission of data pertaining to the private investment by domestic and international investors related to the aviation industry (quarterly submission to MIDA), provides monthly report on Expatriate Application Processing by Department and monthly report on Flying Hours.



MALAYSIA AVIATION ACADEMY (MAvA)



MAvA's training programs are in compliance with ICAO and Malaysia's regulatory requirements, befitting its status as an ATC-ATO certified organisation. A full membership to TRAINAIR PLUS Program under the ICAO Global Aviation Training (GAT) auspices adds extra value to the courses developed and conducted by MAvA.

The conduct of training associated with ICAO Annex 1 for CAAM's Air Traffic Controllers is managed and carried out by MAvA primarily to meet the human resources demand of the air traffic management service operations. There are six ATC courses from ab-initio to advanced surveillance control training that air traffic controllers normally undergo. In addition to CAAM's personnel, MAvA also offers similar ATC training courses to international participants and to local service providers such as Royal Malaysia Air Force (RMAF), Pasukan Udara Tentera Darat (PUTD) and Tanjung Manis Airport personnel, when available capacities exist or could be accommodated. Although the foreign and some non-CAAM participants are fee paying customers, training slot priority has always been accorded to CAAM's personnel. Up-to-date, participants from about eighty foreign countries have undergone ATC training in MAVA since its early days.



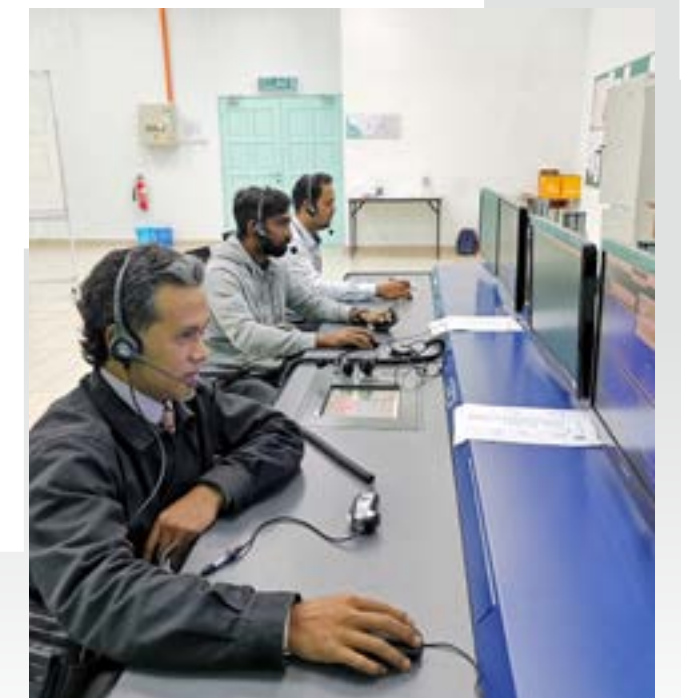
In 2018, a total of seventeen ATC courses or an equivalent to eight hundred seventy (870) training days was delivered to one hundred seventy-two (172) air traffic controllers. The total training days include classroom sessions, simulator practical exercises, study visits and examinations. Of the total course participants, one hundred thirty-four (134) were CAAM personnel, thirty-four (34) were foreign participants from Brunei, Kiribati, Bangladesh and Nepal while four were from other local ATM service providers.

In addition to ATC operational courses, MAVa also runs air traffic management (ATM) associated courses such as Search and Rescue Mission Coordinator, On-Job-Training Instructor and Performance-Based-Navigation for air traffic controllers' career enhancements and enrichments. The fast paced aviation environment requires frequent updates of knowledge and skill-set to keep abreast with the industry's requirements. These additional skills are important in the overall needs of the global air traffic services system. A total of three hundred sixty-three (363) participants attended



these courses; of which fifteen (15) were foreign trainees from Maldives, Nepal, Kenya, Mauritania, Chile, Tunisia, Jordan and Mali whilst thirty-eight (38) were from local agencies (RMAF, Malaysia Airports Holdings Berhad (MAHB), Advanced Air Traffic Systems (M) Sdn Bhd (AAT) and PUTD). These training courses totalled to one hundred twenty-four (124) days of training delivered. Two ICAO TRAINAIR Standard Training Packages (STP) which also serves as skill refresher for controllers in search area calculation and handling emergencies or abnormal situations are part of this additional training.

As MAVa is considered to be the official training division for air traffic controllers, its operations were not designated for profit making from the financial point of view. However, the value of training, in terms of course fee savings to CAAM balances the investments put in for the amenities in MAVa complex including office buildings, classrooms, simulators, library, café, sports facilities and a hostel.



Main Function

The Airworthiness Division is divided into two sections namely, Initial Airworthiness and Continuing Airworthiness.

The main functions of Initial Airworthiness include engineering and certification activities such as design approvals and production of aeronautical products, aircraft certification, evaluation of restructure and repairs proposed by manufacturers, aircraft owners, aircraft operators or maintenance organizations in order to repair or improve aircraft capabilities that are in service.

The main functions of Continuing Airworthiness activities are the approval of Maintenance Repair Organization (MRO) and the management of Continuing Airworthiness (CAMO), as well as aircraft certification, related processes and components and engineers licensing.



AIRWORTHINESS

TECHNICAL CREW

Initial Airworthiness comprises of 10 technical staff in the field of specialized engineering such as aircraft structure, avionics/electrical system, mechanical/hydraulic system, aircraft engines and so on.

Meanwhile, Advanced Airworthiness comprises of 19 technical staff specializing in aircraft type. Efforts are being made to increase the number of technical personnel to meet the needs of the civil aviation industry.

Project and Activities

a) Design organization approval

- There are 3 types of applications for design organization approval. In the process of reviewing application, one of the challenges that the industry face is the lack of technical staff with a level of competency and background in aircraft design and certification. As a way to address this problem, CAAM recommends design organizations to hire university's fresh graduates and conduct internships including on-the-job training (OJT).

b) Validation of foreign type certificate

- Types of aircraft accepted in 2018 are as follows:

I. Airbus Helicopter BK 117-D2

II. Leonardo AW 169

III. Guimbal Cabri G2

IV. Airbus A320-216 (additional series)

V. Bell 505 Jet Ranger X

VI. Diamond DA 42M-NG (Restricted TC)

- This verification process can take between 3 to 6 months. However, the processing time may differ depending on the response from the aircraft owners regarding the issues raised by CAAM.

c) Validation of foreign supplemental type certificate

- The current trends in this verification include:

I. Renewal of cabin and internal configuration of aircraft

II. Installation of SATCOM system

III. Installation of EFIS & EGPWS

IV. Installation of engine filter.

- This verification process can take between 1 to 3 months. Similar to the certification process for aircraft types, the terms specified may change depending on the response from the certificate holder regarding the issues raised by CAAM.

d) Approval of modifications/repairs

- Design and modification of aeronautical products categorized as major must be approved by Initial Airworthiness before they are installed to the aircraft. In 2018 there were 63 applications received for CAAM's approval.

e) Issuance of permit to fly in relation to safety design

- Flight permits will be issued for the purpose of flight testing on modified aircrafts or for ferry flight in the event of structural or system damage on the aircraft, in order to allow the aircraft to be flown to the repair site for further repairing.

- In 2018, 13 fully-fledged flying permit applications were processed by CAAM.

f) Confirmation of Used Aircraft Report

- Confirmation is made to ensure that the aircraft is eligible for the Airplane Registration Certificate and Flight Certificate.

- This verification process can take between 1 to 3 months. However, the processing time may differ depending on the response from aircraft operator on additional information related to the repair work carried out on the aircraft. The common challenge faced is when the ageing aircraft has been operating for too long and the ownership changes among the airlines.



g) Approval for Flight Test Schedule

- During operation, aircrafts are required to undergo flight testing. The flight test schedule must be reviewed and approved beforehand.

h) Approval for Air Vessel Schedule

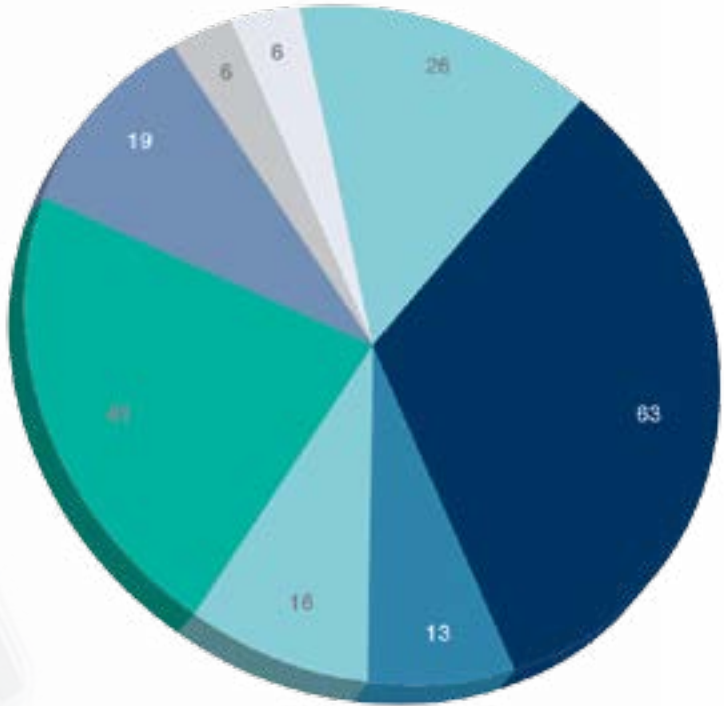
- Initial Airworthiness provides approvals for aircraft weight & CG schedule before the Certificate of Flight Qualification or Flight Authorization is issued to the aircraft operator.



The composition of Airworthiness activities involved throughout 2018 is shown in Figure 1

COMPOSITION OF AIRWORTHINESS ACTIVITIES 2018

- Kelulusan kepada organisasi rekabentuk pengeluaran pruduk
- Pengesahan kepada suatu perakuan jenis kapal udara dikeluarkan oleh negara luar
- Pengesahan kepada suatu perakuan jenis tambahan yang dikeluarkan oleh negara luar
- Kelulusan rekabentuk pengubahsuaian dan pembaikan produk
- Kelulusan jadual ujian penerbangan
- Pengesahan kepada laporan kapal udara terpakai
- Pengeluaran 'permit to fly' berkaitan dengan keselamatan rekabentuk.
- Kelulusan jadual buat kapal udara



- i) Approval for Aircraft Maintenance and Repair Organization (MRO)
- Approval is given once the organization meets the requirements as issued in the relevant Airworthiness Notice.
- The highest technical/management staff in the organization needs to be evaluated to ensure the level of competency is at a satisfactory level.
- The exposition document must be reviewed and approved before approval is given.
- The location and facilities need to be evaluated to ensure suitability and readiness.
- j) Approval for Continuing Airworthiness Management Organization (CAMO)
- Approval is given once the organization meets the requirements of Continuing Airworthiness Management Organization as issued in the relevant Airworthiness Notice.
- The signatory or management staff needs to be evaluated to ensure that their level of competency is maintained.

- The exposition document must be reviewed and agreed upon before approval.
- k) Approval for Aircraft Training Organization (ATO)
- Approval is given once the requirements of an Aircraft Training Organization are met as issued in the relevant Airworthiness Notice.
- Training staff, examiner and higher management would need to be evaluated to ensure the level of competency is at a satisfactory level.
 - The exposition document must be reviewed and agreed upon before approval.
 - The location and facilities of the organization must be evaluated to ensure the suitability and readiness.
 - Teaching materials and set of questions must be evaluated before the approval is given.



AIRWORTHINESS

l) Certificate of Registration and Certificate of Airworthiness

- Aircraft delivery activities involves issuing a certificate of registration and a certificate of airworthiness of the aircraft.

- Prior to the issuance of the certificate, the aircraft and all other documents will be reviewed to meet the requirements of each type of the aircraft; based on a proposal approved by Airworthiness Review Signatory.

- Certificate of airworthiness for aircraft exports and cancellation of registration will be issued if the aircraft is sold or diverted outside of Malaysia.

- Production of sound certificates will also be issued to aircraft in need, based on manufacturer's certification.

m) Approval for Maintenance Program and Minimum Equipment List

- Each aircraft will be maintained in accordance with the approved Maintenance Program and the manufacturer's manual maintenance instructions.

- The aircraft also operates with the help of the Minimum Equipment List which has been approved by Advanced Airworthiness and the Flight Operations Division.

n) Airworthiness Approval / Assessment on AOC and operating aircraft

- Advanced Airworthiness provides technical recommendations to the Flight Operations Division when needed, based on the activities of the relevant organizations.

o) Aircraft Maintenance License

- Aircraft Maintenance License are issued to qualified candidates once they pass an approved training program, required examinations and assessed by the inspector in charge from Advanced Airworthiness.

p) Ongoing Monitoring of Approved Organizations

- All approved organization will be monitored and audited in a timely manner.

- Organization audits includes supervision, scheduled and non-scheduled, product, location, aircraft inspections and ramps, as well as desktop audits.

q) Type and Technical Training

- As this involves aircraft maintenance activities, the inspector involved in the approval process must be given proper identification of the related products.

- The inspector in charge will be given appropriate training appropriate.

INTERNATIONAL INVOLVEMENT

Initial Airworthiness also collaborates and contributes internationally. Among the activities included are:

- 20th FAA / Asia Pacific Bilateral Partners Dialogue (APAC) Meeting in Canberra, Australia

- 2nd ICAO Asia Pacific Unmanned Aircraft System Meeting in Bangkok, Thailand

- FAA Supplier Control Audit Program

CAAM uses this opportunity to share and exchange information with other regulators to ensure Airworthiness requirements and work processes are in line with best practices internationally.

CHALLENGES FROM NEW EMERGING TECHNOLOGIES

The aviation industry in Malaysia is undergoing a rapid development that involves the use of new technologies, namely:

1. Unmanned Aerial Systems (UAS)

The introduction of Unmanned Aerial System known as “drones” in Malaysia has led to the increase of new users into the aviation industry. Most of these new users lack the knowledge, experience and awareness on regulations and technical requirements. This has become a great challenge in regulating this new activity.





As part of its strategy to keep abreast of current drone issues, Airworthiness Division has become a member of the Joint Authorities for Rulemaking on Unmanned Systems (JARUS) in 2015. The organization is made up of 59 countries including regulatory bodies such as FAA and EASA. JARUS takes an active role in providing recommendations on drone standards and technical requirements. It is hoped that the work of JARUS is considered by ICAO in the process of establishing standards and guidelines for countries like Malaysia.

2. Use of ‘Fly-By-Wire’ Composite Materials and Technology

Modern aircraft design focuses on the use of composite materials in the process of manufacturing aircraft for weight-saving purposes that can bring commercial advantages to airlines in terms of operating costs.

Another technology used in modern aircraft is the concept of ‘fly-by-wire’ (FBW) in which aircrafts are made using electronic systems and computers that were previously operated manually.

3. Use of ‘Bio-fuels’

In line with the international aviation industry’s desire to reduce carbon footprint, some airlines are in the process of trying bio-fuel as aircraft fuel. A local airline has submitted to CAAM their intention to use the mentioned bio-fuel.

4. Urban Air Mobility

Road congestion especially in the city have necessitated the search for alternative transportation such as urban air transport or better known as “Urban Air Mobility”. This new concept of transportation is undergoing a trial phase by other countries such as Japan. Malaysia also intends to invest in such technology.

The emergence of the new technologies mentioned above poses a challenge to Airworthiness Division in terms of technical and certification. Among the steps that have been identified to overcome this challenge are for Airworthiness Division to increase the level of technical knowledge through training courses as well as information sharing during international seminars and conferences.

DEVELOPMENT OF AIRWORTHINESS DIVISION

To enhance the efficiency in carrying out tasks and responsibilities, Initial Airworthiness works closely with CAAM management to develop an online system that will facilitate and expedite the application, payment and approval process.

In order to meet the challenges of the current aviation industry, technical staff requires high level competency and skills and to be well versed with latest technology.

TRANSITIONING TO THE CONCEPT OF RISK-BASED MONITORING

Airworthiness Division is developing a strategy for implementing risk-based oversight (RBO) as a means to ensure the use and distribution of expert resources more effectively. With RBO, this Division is able to monitor activities that needs prioritization upon considering the hazard and risk analysis.

FINANCIAL REPORT



LAPORAN KETUA AUDIT NEGARA MENGENAI PENYATA KEWANGAN PIHAK BERKUASA PENERBANGAN AWAM MALAYSIA BAGI TAHUN BERAKHIR 31 DISEMBER 2018

Laporan Mengenai Penyata Kewangan

Pendapat

Saya telah mengaudit Penyata Kewangan Pihak Berkuasa Penerbangan Awam Malaysia yang merangkumi Penyata Kedudukan Kewangan pada 31 Disember 2018 dan Penyata Prestasi Kewangan, Penyata Perubahan Aset Bersih serta Penyata Aliran Tunai bagi tahun berakhir pada tarikh tersebut, ringkasan polisi perakaunan yang signifikan dan nota kepada penyata kewangan seperti dinyatakan pada muka surat 04 hingga 22.

Pada pendapat saya, penyata kewangan ini memberikan gambaran yang benar dan saksama mengenai kedudukan kewangan Pihak Berkuasa Penerbangan Awam Malaysia pada 31 Disember 2018 dan prestasi kewangan serta aliran tunai bagi tahun berakhir pada tarikh tersebut selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan Akta Pihak Berkuasa Penerbangan Awam Malaysia 2017- Akta 788.

Asas Kepada Pendapat

Saya telah melaksanakan pengauditan berdasarkan Akta Audit 1957 dan *The International Standards of Supreme Audit Institutions*. Tanggungjawab saya diuraikan selanjutnya di perenggan Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan dalam laporan ini. Saya percaya bahawa bukti audit yang diperolehi adalah mencukupi dan bersesuaian untuk dijadikan asas kepada pendapat saya.

Kebebasan dan Tanggungjawab Etika Lain

Saya adalah bebas daripada Pihak Berkuasa Penerbangan Awam Malaysia serta telah memenuhi tanggungjawab etika lain berdasarkan *The International Standards of Supreme Audit Institutions*.

Maklumat Lain Selain Daripada Penyata Kewangan dan Laporan Juruaudit Mengenainya

Pihak Berkuasa Pihak Berkuasa Penerbangan Awam Malaysia bertanggungjawab terhadap maklumat lain dalam Laporan Tahunan. Pendapat saya terhadap penyata kewangan Pihak Berkuasa Penerbangan Awam Malaysia tidak meliputi maklumat lain selain daripada Penyata Kewangan dan Laporan Juruaudit mengenainya dan saya tidak menyatakan sebarang bentuk kesimpulan jaminan mengenainya.

Tanggungjawab Pihak Berkuasa Terhadap Penyata Kewangan

Pihak Berkuasa bertanggungjawab terhadap penyediaan penyata kewangan Pihak Berkuasa Penerbangan Awam Malaysia yang memberi gambaran benar dan saksama selaras dengan piawaian pelaporan kewangan yang diluluskan di Malaysia dan Akta Pihak Berkuasa Penerbangan Awam Malaysia 2017 – Akta 788. Pihak Berkuasa juga bertanggungjawab terhadap penetapan kawalan dalaman yang perlu bagi membolehkan penyediaan penyata kewangan Pihak Berkuasa Penerbangan Awam Malaysia yang bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan.

Semasa penyediaan penyata kewangan Pihak Berkuasa Penerbangan Awam Malaysia, Pihak Berkuasa bertanggungjawab untuk menilai keupayaan Pihak Berkuasa Penerbangan Awam Malaysia untuk beroperasi sebagai satu usaha berterusan, mendedahkannya jika berkaitan serta menggunakannya sebagai asas perakaunan.

Tanggungjawab Juruaudit Terhadap Pengauditan Penyata Kewangan

Objektif saya adalah untuk memperoleh keyakinan yang munasabah sama ada penyata kewangan Pihak Berkuasa Penerbangan Awam Malaysia secara keseluruhannya adalah bebas daripada salah nyata yang ketara, sama ada disebabkan fraud atau kesilapan, dan mengeluarkan Laporan Juruaudit yang merangkumi pendapat saya. Jaminan yang munasabah adalah satu tahap jaminan yang tinggi, tetapi bukan satu jaminan bahawa audit yang dijalankan mengikut *The International Standards of Supreme Audit Institutions* akan sentiasa mengesan salah nyata yang ketara apabila ia wujud. Salah nyata boleh wujud daripada fraud atau kesilapan dan dianggap ketara sama ada secara individu atau agregat sekiranya boleh dijangkakan dengan munasabah untuk mempengaruhi keputusan ekonomi yang dibuat oleh pengguna berdasarkan penyata kewangan ini.

Sebagai sebahagian daripada pengauditan mengikut *The International Standards of Supreme Audit Institutions*, saya menggunakan pertimbangan profesional dan mengekalkan keraguan profesional sepanjang pengauditan. Saya juga:

- a. Mengetahui pasti dan menilai risiko salah nyata ketara dalam penyata kewangan Pihak Berkuasa Penerbangan Awam Malaysia, sama ada disebabkan fraud atau kesilapan, merangka dan melaksanakan prosedur audit yang responsif terhadap risiko berkenaan serta mendapatkan bukti audit yang mencukupi dan bersesuaian untuk memberikan asas kepada pendapat saya. Risiko untuk tidak mengesan salah nyata ketara akibat daripada fraud adalah lebih tinggi daripada kesilapan kerana fraud mungkin melibatkan pakatan, pemalsuan, ketinggalan yang disengajakan, representasi yang salah, atau mengatasi kawalan dalaman.
- b. Memahami kawalan dalaman yang relevan untuk merangka prosedur audit yang bersesuaian tetapi bukan untuk menyatakan pendapat mengenai keberkesanan kawalan dalaman Pihak Berkuasa Penerbangan Awam Malaysia.
- c. Menilai kesesuaian dasar perakaunan yang diguna pakai dan kemunasabahan anggaran perakaunan dan pendedahan yang berkaitan oleh Pihak Berkuasa.
- d. Membuat kesimpulan terhadap kesesuaian penggunaan asas perakaunan untuk usaha berterusan oleh Pihak Berkuasa dan berdasarkan bukti audit yang diperolehi, sama ada wujudnya ketidakpastian yang ketara berkaitan dengan peristiwa atau keadaan yang mungkin menimbulkan keraguan yang signifikan terhadap keupayaan Pihak Berkuasa Penerbangan Awam Malaysia sebagai satu usaha berterusan. Jika saya membuat kesimpulan bahawa ketidakpastian ketara wujud, saya perlu melaporkan dalam Laporan Juruaudit terhadap pendedahan yang berkaitan dalam penyata kewangan Pihak Berkuasa Penerbangan Awam Malaysia atau, jika pendedahan tersebut tidak mencukupi, pendapat saya akan diubah. Kesimpulan saya dibuat berdasarkan bukti audit yang diperolehi sehingga tarikh Laporan Juruaudit.
- e. Menilai sama ada keseluruhan persembahan termasuk pendedahan penyata kewangan Pihak Berkuasa Penerbangan Awam Malaysia memberi gambaran yang saksama.

Saya telah berkomunikasi dengan Pihak Berkuasa, antaranya mengenai skop dan tempoh pengauditan yang dirancang serta penemuan audit yang signifikan, termasuk kelemahan kawalan dalaman yang dikenal pasti semasa pengauditan.

Laporan Mengenai Keperluan Perundangan dan Peraturan Lain

Berdasarkan keperluan Akta Pihak Berkuasa Penerbangan Awam Malaysia 2017 – Akta 788, saya juga melaporkan bahawa pada pendapat saya, rekod perakaunan dan rekod lain yang dikehendaki Akta untuk disimpan oleh Pihak Berkuasa Penerbangan Awam Malaysia telah disimpan dengan sempurna menurut peruntukan Akta Pihak Berkuasa Penerbangan Awam Malaysia 2017 – Akta 788 yang mana kami telah bertindak sebagai juruaudit telah

3 / 4



disimpan dengan sempurna menurut peruntukan Akta Pihak Berkuasa Penerbangan Awam Malaysia 2017 – Akta 788].

Hal-hal Lain

- a. Saya ingin menarik perhatian terhadap kelemahan yang melibatkan pengurusan dan penyenggaraan rekod perakaunan (*Generally Accepted Accounting Principles*). Pihak Berkuasa Penerbangan Awam Malaysia perlu menyediakan rekod perakaunan mengikut format standard yang diterima umum.
- b. Seperti yang dinyatakan pada Nota 3 kepada penyata kewangan, Pihak Berkuasa Penerbangan Awam Malaysia telah menerima pakai piawaian perakaunan *Malaysian Public Sector Accounting Standards* (MPSAS) mulai 19 Februari 2018.
- c. Laporan ini dibuat untuk Pihak Berkuasa dan bukan untuk tujuan lain. Saya tidak bertanggungjawab terhadap pihak lain bagi kandungan laporan ini.

(SWAIBATUL ASLAMAH BINTI HAJI HUSAIN)
b.p. KETUA AUDIT NEGARA
MALAYSIA

PUTRAJAYA
13 NOVEMBER 2019



4 / 4





1. General Information

1.1 Establishment

Civil Aviation Authority of Malaysia (“Authority”), formerly known as the Department of Civil Aviation is established pursuant to the Civil Aviation Authority of

ASSET	NOTE	2018 RM
Cash and Bank Balances		
Accounts Receivables for Exchange Transactions	4	56,426,483
Accounts Receivables for Non-Exchange Transactions	5	14,977,682
Total Current Assets	6	329,981
Non-Current Assets		<u>71,734,146</u>
Intangible Assets		<u>71,734,146</u>
Total Non-Current Assets		
Total Assets		
LIABILITY		
Current Liabilities	7	13,229,322
Accounts Payable for Exchange Transactions		13,229,322
Total Current Liabilities		13,229,322
NET ASSET		58,504,824
NET ASSETS/EQUITY		
Accumulated Surplus of Authority Fund		58,504,824
Total Net Assets/Equity		58,504,824

CIVIL AVIATION AUTHORITY OF MALAYSIA

(Established under the Civil Aviation Authority of Malaysia Act 2017 - Act 788)

STATEMENT OF FINANCIAL POSITION AT 31st DECEMBER 2018

	NOTE	19.02.2018 HINGGA 31.12.2018 RM
Revenue		
Revenue from Exchange Transactions	8	61,218,829
Revenue from Non-Exchange Transactions	9	<u>10,043,187</u>
Total Revenue		<u>71,262,016</u>
Expenses		
Personnel emoluments		
Service and supply	10	566,899
Domestic and foreign grants	11	12,162,633
Other expenses		<u>27,660</u>
Total expenses		<u>12,757,192</u>
Surplus for Financial Period		<u>58,504,824</u>



CIVIL AVIATION AUTHORITY OF MALAYSIA
(Established under the Civil Aviation Authority of Malaysia Act 2017 - Act 788)

STATEMENT OF CHANGES IN NET ASSETS FOR FINANCIAL PERIOD ENDING 31ST DECEMBER 2018

	AUTHORITY FUND	TOTAL NET ASSETS/EQUITY
Balance as at 19th February 2018 (Effective Date)	-	-
Surplus for Financial Period	58,504,824	58,504,824
	58,504,824	58,504,824
Balance as at 31st December 2018	<u>58,504,824</u>	<u>58,504,824</u>

STATEMENT OF CHANGES IN NET ASSETS FOR FINANCIAL PERIOD ENDING 31ST DECEMBER 2018

	19.02.2018 until 31.12.2018 (RM)
CASH FLOW FROM OPERATING ACTIVITIES	
Surplus for Financial Period	58,504,824
Non-cash movements:	
Changes in Accounts Receivable for Exchange Transactions	(115,246)
Changes in Accounts Receivable for Non-Exchange Transactions	58,389,578
Changes in Accounts Payable for Non-Exchange Transactions	(14,977,682)
Net cash flow from operating activities	(329,981)
Cash Flow from Investment Activities	13,229,322
Purchase of Intangible Assets	56,311,237
Cash flow from investment activities	115,246
	<u>56,426,483</u>
Net increments in cash and cash equivalents	
Cash and Cash Equivalents at Beginning of Period	56,426,483
Cash and Cash Equivalents at End of Period	-
	<u>56,426,483</u>

CIVIL AVIATION AUTHORITY OF MALAYSIA
(Established under the Civil Aviation Authority of Malaysia Act 2017 - Act 788)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR FINANCIAL PERIOD ENDING 31ST DECEMBER 2018

	ORIGINAL	FINAL	ACTUAL	*FINAL BUDGET AND ACTUAL VARIANCE	*PERCENTAGE VARIANCE
RECEIPTS					
Non-Exchange Transactions	-	22,738,636	46,241,147	(23,502,511)	-103%
Exchange Transactions	-	200,968,306	60,888,848	140,079,458	70%
TOTAL RECEIPTS	-	223,706,942	107,129,995	116,576,947	52%
PAYMENTS					
Personnel emoluments	118,842,157	118,842,100	38,245	118,803,855	100%
Service and supply	214,936,117	208,852,100	128,350	208,723,750	100%
Domestic and foreign grants	2,387,600	2,378,900	-	2,378,900	100%
Other expenses	9,939,000	7,443,000	(638,725)	8,081,725	109%
TOTAL PAYMENTS	346,104,874	337,516,100	(472,130)	337,988,230	100%
NET RECEIPTS	(346,104,874)	(113,809,158)	107,602,125	(221,411,283)	-48%

* Refers to variance between final Budgeted Amounts and Actual Amounts



1.2 Main Activity

The main objective of the establishment of the Authority is to implement the corporation functions of the Authority, pursuant to the passing of the Civil Aviation Authority of Malaysia Act 2017 where the Authority is an Agency acting as a technical regulatory Agency for aviation activities and a service provider for air traffic control.

1.3 Functional Currency for Financial Statement

This Financial Statement is presented in Ringgit Malaysia (‘RM’), which is the functional and presentation currency of the Authority.
All financial information presented are in RM and values are rounded to the nearest RM.

2. Financial Statement Approval Date
This Financial Statement has been presented and approved by the Authority on 6 November 2019.

3. Accounting Policies
3.1 Basis of Preparation for Financial Statement

The Financial Statement of the Authority has been prepared on the accrual basis following the Malaysia Public Sector Accounting Standard (MPSAS) and according to historical cost convention.

The Financial Statement of the Authority was the initial financial statement during transitional period and prepared base on Malaysian Public Sector Accounting Standard (MPSAS). MPSAS 33 allowed first-time adopter to recognise and measured certain asset and liabilities within one (1) to three (3) years. During the transitional period, the Authority takes the opportunity and applied transitional exemptions and provision as disclosed in Note 3.16 of the financial statement. As such, the preparation of this financial statement may not be disclosed the explicit and fair presentation with compliance on the accrual basis MPSAS.

The preparation of Financial Statement requires consideration, estimation and assumption that affect the use of policies and amounts for assets, liabilities, revenues and expenses reported.

The estimation and assumption employed will be reviewed continuously. Re-checking of the accounting estimation will be acknowledged within the period during which the estimation is checked, if the re-checking only affects the period, or within the period of review and future period of the re-checking affects the current and future period.

Should this consideration significantly affect the amount recognised in the Financial Statement, it must be disclosed in Note 3.13 of the Financial Statement.

The Authority has adopted Malaysian Public Sector Accounting Standard (MPSAS) as follows:

- | | |
|----------|---|
| MPSAS 1 | - Presentation of Financial Statements 19 February 2018 |
| MPSAS 2 | - Cash Flow Statements 19 February 2018 |
| MPSAS 3 | - Accounting Policies, Changes in Accounting Estimates and Error 19 February 2018 |
| MPSAS 4 | - The Effect of Changes in Foreign Exchange Rates 19 February 2018 |
| MPSAS 9 | - Revenue from Exchange Transactions 19 February 2018 |
| MPSAS 12 | - Inventories 19 February 2018 |
| MPSAS 14 | - Events After The Reporting Date 19 February 2018 |
| MPSAS 16 | - Investment Property 19 February 2018 |
| MPSAS 17 | - Property, Plant and Equipment 19 February 2018 |
| MPSAS 19 | - Provisions, Contingent Liabilities and Contingent Asset 19 February 2018 |
| MPSAS 20 | - Related Party Disclosure 19 February 2018 |
| MPSAS 21 | - Impairment of Non-Cash-Generating Assets 19 February 2018 |
| MPSAS 22 | - Disclosure of Financial Information 19 February 2018 |
| MPSAS 23 | - Revenue from Non-Exchange Transactions (Taxes & Transfer) 19 February 2018 |
| MPSAS 24 | - Presentation of Budget Information in Financial |

- | | |
|----------|--|
| MPSAS 26 | Statements 19 February 2018
- Impairment of Cash-Generating Assets 19 February 2018 |
| MPSAS 28 | - Financial Instruments - Presentation 19 February 2018 |
| MPSAS 29 | - Financial Instruments - Recognition and Measurement 19 February 2018 |
| MPSAS 30 | - Financial Instruments - Disclosure 19 February 2018 |
| MPSAS 33 | - First-Time Adoption of Accrual Basis MPSASs 19 February 2018 |

3.2 Impairment Non Financial Asset
3.2.1 Cash-Generating Asset

At each financial position statement date, the Authority reviews the carrying amounts of asset to determine whether there is indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the highest value of the fair value less costs for sale and value in use.

In determining the value in use, future cash flows will be discounted to its present value using a pre-tax discount rate that reflects the current money market value and the risks specific to the asset. In determining the fair value less cost for sale, the latest market transaction will be accounted for, if any. If no current market transaction occurs, a suitable evaluation model should be used.

An impairment loss is recognised as an expense in surplus or deficit immediately when the carrying amount of the asset exceeds its recoverable amounts, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is reduced to the extent of the revaluation surplus that has not been utilised for the same asset.

3.2.2 Non-Cash-Generating Asset

The Authority will review at each of reporting date whether there is indication that non-cash generating asset may be affected. If any such indication exist, the Authority will estimates the recoverable amounts of assets. Total

recoverable amount of assets is the highest value of the fair value less costs for sale and value in use.

An impairment loss is recognised as an expense in surplus or deficit immediately when the carrying amount of the asset exceeds its recoverable amounts.

In determining the value in use, the Authority has adopted depreciated replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

In determining asset's fair value less costs to sell is a price in a binding sale agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributable to the disposal of the asset. If there is no binding sale agreement, but an asset is traded in an active market, fair value less costs to sell is the asset's market price less the costs of disposal. If there is no binding sale agreement or active market for an asset, the Authority will determine the fair value less costs to sell based on the best information available to reflect the amount.

For each asset, assessment is made at each of reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset may no longer exist or may decreased. If any such indication exists, the entity shall estimate the recoverable service amount of that asset. An impairment loss recognized in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognized. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) if no impairment loss had been recognized for the asset in prior periods. A reversal of an impairment loss for an asset shall be recognized immediately in surplus or deficit.

3.3 Employee Benefits



3.3.1 Short Term Employee Benefits

The Authority as Statutory Body is governed under the rules of appointment set by Public Services Commission of Malaysia (SPA). Short term employment benefits consist of gross salaries, fixed allowances, non-fixed allowances, various leave include annual leave until 35 days, medical facilities at National Heart Institute (IJN), dialysis and replicate equipment that approved by Ministry of Health (KKM) and loan facilities of housing, cars and computer.

Short term employee benefits include wages, salaries, bonuses, and contribution of social security calculated as expenses during the period in which the associated services are rendered by employees. Accumulation of short term compensation for absent such as paid annual leave will be defined when the employees served and the employees have rights on the unpaid leave compensation that will increased in the future and short term benefit that is not accumulated for absent such as sick leave will be recognised when the absent occurred.

3.3.2 Post-Employment Benefits

- i) Employment Provident Fund (EPF)
The Authority contributed to Employment Provident Fund (EPF) as per stipulated act. The contribution surplus or deficit are charged or credited in the period in which they arise.
- ii) Retirement Fund (KWAP)
The Authority contributed to Retirement Fund (Incorporated) for staff with pension benefit as per stipulated act. The contribution surplus or deficit are charged or credited in the period in which they arise.
- iii) Paid Annual Leave and Rewards for Contract Staff
For permanent employees have option to choose either pension plan or Employment Provident Fund (EPF) and will receive benefits for paid annual leave upon retirement. The benefits were based on Civil Service Circular issued by Public Services Commission of Malaysia (SPA) and it used by the Authority
The Authority only accounted for the provision of paid annual leave benefits when the employees attained age of 40 years for female and 45 years for male

and determined as follows:

1/30 X last salary which will receive based on 3 times increment X number of days for accumulated paid leave
(Subjected to maximum of 150 days)

The Authority also grant on benefits for contract staff which ended the services as below formula:
[17.5% - 12% (employer EPF contribution) X last gross salary X years of service] (-) Share interest on employer EPF contribution (estimated RM100)

3.4 Financial Asset

3.4.1 A financial asset is recognised in the statement of financial position when the Authority become a party to the contractual provisions of the instrument.

3.4.2 At initial measurement, financial asset were recognised at fair value through surplus or deficit which directly attributable in issuing financial asset.

3.4.3 After initial recognition, financial assets will be classified into one of four categories of financial assets i.e. financial assets are measured at fair value through surplus or deficit, loans and receivable, held-to-maturity investments and available-for-sale financial assets.

3.4.4 A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned which the Authority commit to purchase or sale of the asset.

3.4.5 The Authority held categories of financial asset as follows:
i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial

measurement, the financial assets are subsequently measured at cost being amortised using the effective interest method and less impairment. Cost of amortised is calculated taking into account any discount or premium on the purchase of such assets and fees or costs which are part of the effective interest rate. Losses arising on impairment are recognised as surplus or deficit.

3.4.6 Impairment of Financial Asset

At the end of each reporting period, the Authority evaluates whether there is objective evidence that the financial assets need to be impairment. Objective evidence includes:

- i) significant financial difficulties by the borrower;
- ii) overdue payments;
- iii) possible that the borrower will be bankrupt; or
- iv) data that shows that there is a decline in the estimated future cash flows.

For the category of financial assets which are measured at cost are amortised, if there is no objective evidence exists for significant individuals, then all assets of the Authority with similar risk features irrespective of whether they are material or not, will be evaluated collectively to determine whether it is necessary to make impairment.

Impairment losses, in respect of which financial assets are measured at cost amortised, are measured as a difference between the carrying amount of the asset and the present value of the estimated cash flows discounted at the original effective interest rate. The carrying amount of the assets will be reduced through the use of the allowances account. Any impairment loss is recognised in surplus or deficit immediately. If, in later period, any impairment loss reduced, previous recognised impairment loss will be reversed directly to the allowances account. The reversal is recognised in surplus or deficit immediately.

3.4.7 Derecognition Financial Asset

Financial assets are derecognised when the contractual rights for cash flows from the financial assets have been expired or completed as well as the

Authority has transferred substantially the risks and rewards of ownership of financial assets to other parties.

Upon derecognition of financial assets as a whole, the difference between the carrying value and the consideration amount received is recognised in surplus or deficit in the period of derecognition.

3.5 Recognition of revenue

3.5.1 Revenues from Non-Exchange Transaction

Non-exchange transactions are recognised as assets when there is future economic benefit or service potential expected to flow to the entity, this is resulted from past events and asset fair value can be reasonably measured. Non-exchange transactions recognised as assets must be recognised as revenue, except to the extent of liabilities that are also recognised as pending in relation to the same entry flow
Non-exchange transactions recognised as assets must be recognised as revenue, except to the extent that a liability is also recognised in respect to the same inflow as pending in the statement of financial position.

When the obligation towards a liability is fulfilled, the entity must reduce the carrying amount of the recognised liability and recognise the same amount of the revenue as the reduction.

Revenues from Non-Exchange Transactions are as follows:

- i) Government Grants
Government Grants that are given to the Authority to operate and implement its activities and upon which no future performance conditions are set are taken into account as revenue in the statement of financial performance and are measured at the fair value of the received asset.
- ii) License, Registration Fee and Permit
The Authority recorded all payments on issuance of approval or permission to individuals, corporations, businesses, enterprises and Agencies/Government Departments for regulation and law enforcement purposes. This includes the issuance of any license, permit, certificate, authorisation or documents that are issued or given under any provision under the Civil Aviation Act 1969 or subsidiary laws under the Act.



Revenues are recognised when license and permits are issues (there is usually no interval between the time of issuance of license and permit and time of payment).

iii) Fines and Penalties
Fines and penalties are payments charged for violating laws or for failure to fulfil contractual commitment, whether related to specifications or time. This includes compound payment, contract delay penalty (Liquidated Ascertained Damage – LAD) and any payment as punishment for the violation of laws under any provision of the Civil Aviation Act 1969 or subsidiary laws under this Act.

Revenues for fines and penalties are recognised after the Authority receives payment for uncertainty in the collection of fine and penalty revenues.

iv) Contribution/Compensation from Other Countries and Local Contributors
Revenues must be recognised when there is possibility that future economic benefit or service potential will flow to the entity and its fair value can be measured with certainty, for example, when the amount is made as collateral, or a memorandum of understanding is signed.

v) Expense Claims
Expense Claims for the previous year must be recognised as revenue from transaction costs.

Expense Claims for the current year will be recognised as reciprocal to the expense account or assets related to transaction costs.

3.5 Recognition of revenue (Continued)
3.5.2 Revenue from Exchange Transaction

Revenue from exchange transaction is recognised when it is probable that expected future economic benefits or service potential will flow to the entity and this benefit can be measured reliably.

Revenue from Exchange Transaction is as follows:

i) Service and Service Fee

Service and Service Dee involve all receipts of service rendered by the Authority, including air traffic control service, calibration of navigation and flight communication instruments, examination services and other services rendered by the Authority.

Revenue is recognised based on the completion level of transactions on the date of reporting and when the following conditions are met:

- Revenue can be measured with certainty;
- Possible economic benefit or future potential services associated which transaction that will pass to the Authority;
- The completion of transactions on reporting date can be measured with certainty; and
- Cost on transactions and cost to complete the transactions can be measured.

Revenue should be measured at fair value for consideration received or will be accepted.

ii) Revenue from Sale of Goods

Involves of all receipts from sale of quotation/tender documents as well as publication and sale of physical properties (excluding investment) and others.

Revenue is recognised when all of the following conditions have been satisfied:

- The Authority has transferred to the purchaser the significant risks and rewards of ownership of the goods;
 - The Authority retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- Revenue shall be measured at the fair value of the consideration received or receivable.

Amount for the cost of goods sold must be spent towards surplus/deficit simultaneously with the recognition of revenue.

iii) Rentals

Rental income from premises owned by the Authority based on the rate and conditions in the rental agreement.

Rents procured are recognised as revenues during the entire course of the rental period.

3.5.2 Revenue from Exchange Transaction (Continued)

iv) Interests/Grants

Revenue shall be recognised on an accrual basis and measure at the fair value of the consideration received or receivable.

v) Interest from Investment

Revenue gained from investment is recognised on a time proportion basis that takes into account the effective yield on the asset. Effective yield on the asset is the rate of required interest to discount the stream of future cash receipts over the life of the asset to equate to the initial carrying amount of the asset.

vii) Other Receipts

Other receipts are receipts other than those stated in item 3.6.2 (i) until 3.6.2

(vii) recognised after services are rendered and measured reliably.

3.6 Provisions and Liability

A provision is recognised when the Authority has a present obligation (legal or constructive) as a result of past events, there is probability that source outflow containing economic benefit is required to settle the obligation and the amount of obligation can be estimated reliably. When the Authority expects several or all provisions to be claimed, expenses on provisions are presented in the statement of financial performance from any claims.

3.7 Cash and cash equivalents

Statement of cash flows was prepared using indirect method. Cash and cash equivalents comprise cash in hand and bank, as well as high-liquidity investments with licensed banks and financial institutions with a maturity period of twelve months or less, which is ready to be exchanged to a known

cash amount and subject to value change risk that do not

3.8 Budget Information

Annual budget is prepared based on a cash basis. As the Financial Statement is prepared using the accrual basis, a Statement of Comparison of Budget and Actual Amounts is prepared separately. This statement was prepared using the preparation basis for annual budget.

This annual budget was presented in the Ministry of Transportation’s Proposed Budget of Estimated Operating Expenses Meeting 2018 to be acknowledged by the Controlling Officer and submitted to the Ministry of Finance for approval, and subsequently included in the Supply Bill 2018.

This annual budget was also presented in the Authority Meeting Number 8/2018 dated 27th July 2018.

3.9 Offsetting Financial Instruments

A financial asset and a financial liability is offset when, and only when, there is a legally enforceable right to set it off and there is intention to settle it on a net basis or to realise the asset and settle the liability simultaneously.

3.10 Related Parties

The Authority assumes related parties as a person or entity with the ability to exercise control individually or collectively, or to exercise important influence on the Authority, or vice versa. The management’s important employees are assumed to be related parties and comprise the Chairman and Members of the Authority.

3.11 Contingent Liabilities and Contingent Assets

3.11.1 A contingent liability is a present obligation that is not recognised as there is no probability of source outflow will be required to settle obligations or in very rare cases where liabilities cannot be recognised because it cannot be measured with certainty. Contingent liabilities are not recognised but are disclosed in the financial statement. Obligations arising from past events, whose existence could only be verified by the occurrence or non-occurrence of one or more uncertain future events not under the overall control of the



Authority, will also be disclosed as contingent liabilities, unless the probability of economic source outflow is small.

3.11.2 A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority. The Authority does not recognise contingent assets in the financial statement but discloses its existence where the inflow of economic benefit is probable, but

3.12 Financial Liabilities

3.12.1 Financial liabilities are recognised in the statement of financial position when the Authority becomes a party in the instrument allocation contract.

3.12.2 At initial recognition, financial liabilities are measured at the fair value, including transaction cost for financial liabilities, that are not measured at the fair value in surplus or deficit, that are involved directly in the issuance of financial liabilities.

3.12.3 After initial recognition, financial liabilities are classified as one of the two categories of financial liability, which are financial liabilities that are measured at the fair value in surplus or deficit and loans payable.

3.12.4 The Authority possess the following category of financial liability:

(i) Loans and Payables

After initial recognition, loans and payables are measured on amortised cost using the effective interest method. Profits or losses are recognised in surplus or deficit when financial liabilities are derecognised or depreciated. Effective interest method is a method to calculate the amortised cost of financial liabilities and to allocate interest expenses on the relevant period. Effective interest method is the discount rate for exact estimation of future cash payments through the life span of financial liabilities, or, when appropriate, a shorter period, with the carried value of the financial liabilities.

3.12.5 Financial liabilities are derecognised when the obligation stated in the contract has been discharged, cancelled or expires.

Any difference between the carrying amount of derecognised financial liabilities and paid consideration is recognised in surplus or deficit within the derecognition period.

3.13 Critical accounting judgments and key sources of estimation uncertainty

3.13.1 Critical accounting judgments

There has been no critical accounting judgment that has a significant effect on the amount recognised in the financial statement.

3.13.2 Key sources of estimation uncertainty

Key estimation regarding the future, and other sources of estimation uncertainty on the date of reporting, that has a significant risk that would cause important adjustment to the carrying amount of an asset and liability in the next financial year is as follows:

i) Depreciation Loss for Accounts payable

The Authority assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of depreciation, The Authority assumes factors such as the debtor's inability to pay or significant disobedience or delay in payment. If there is objective evidence that depreciation, future and amount cash flows are estimated based on historical experience of loss for assets with similar credit risk characteristics

3.14 Lease

Lease of property, plant and equipment are classified as finance lease when the risk and benefits of ownership of the assets but not a lawful possession are transferred to the Authority.

The Authority was at the beginning recognised the right of use and the obligation under finance lease as asset and liabilities in statement of financial at the lower of the present value of the minimum lease payments or the fair value of the leased assets at the beginning of the lease term. Any directly attributable expenditure will be added and recognised as an asset.

The minimum lease payments are divided between finance charges and the reducing outstanding liabilities using the effective interest method. Finance charges are allocated for each period over the lease term to produce a fixed interest over remaining liabilities.

The depreciation policy for leased assets is consistent with the asset that can be depreciated. If there is no reasonable certainty that the Authority will gain ownership by the end of the lease term, the lease assets are fully depreciated over the lease term and its estimated useful lives, whichever earlier. At each of reporting date, the Authority evaluates whether the lease property under finance leases is required to be impaired.

Operating leases are recognised as an expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term using the straight-line method.

3.15 Foreign Exchange

Foreign currency transactions are translated into Ringgit Malaysia using the exchange rates prevailing at the dates of the transactions. Asset and liabilities of foreign exchange are translated at year-end using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions were recorded.

3.16 Effect of MPSAS Adoption

3.16.1 This financial statement is the Authority's first-time adoption of the financial statement that is presented using the MPSAS accounting framework. The Authority also used the following provisions and exemptions in the preparation of this financial statement, which was prepared for the first time using the MPSAS accounting framework.

Provisions and Exemptions that give significant impacts on the financial statement.

i) Opening balance of assets and liabilities

Opening balance of assets and liabilities, such as property, plant and equipment, cash and bank balances, accounts receivable and accounts payable that are carried has not been recorded in the financial statement of The Authority. This is because The Authority is still in the process of maintaining information and seeking approval from the Government.

i) Employee benefit

MPSAS 25 Employee Benefits requires entities to recognise all benefits awarded to employees using the Projected Unit Credit Method, by including several assumptions such as salary increases. In view that the Authority is obligated to pay Cash Award In Lieu of Leave (GCR) and Contract Award to its employees upon their retirement/contract ending, the Authority opts for allocation and exemption for recognition of employee benefits for a period of three years beginning the date of MPSAS adoption or until the asset is recognised and measured (whichever comes first). This is because the Authority is still in the process of updating information regarding its employee benefits.

iii) Inventory

The Authority possesses inventories such as computer hardware spare parts, field spare parts and others that are not capitalised in the financial statement. MPSAS requires these assets to be capitalised. The Authority has opted for allocation and exemption of the recognition of this inventory for a period of three years beginning the date of MPSAS adoption or until the asset is recognised and measure (whichever comes first). This is because the Authority is still in the process of updating information regarding its inventory.



4. CASH AND BANK BALANCES	2018 (RM)
Cash in hand	39,175
Cash in bank	56,387,308
	56,426,483

5. Accounts Receivable for Exchange Transactions	
Air Navigation Facility Charges (ANFC)	14,718,592
Calibration	258,540
Others	550
	<u>14,977,682</u>
deduct: Accumulated Impairment Loss	-
	<u>14,977,682</u>

Trade Receivables are not charged with interest and generally, the period involved is from 1 to 30 days. Trade Receivables are recognised at Fair Value during initial recognition. Amount expected to recover within 12 months, will be recognised in the original invoice amount. If not, it will be recognised on Current Value of the original invoice amount.

Accounts Receivables has a period between 1 to 6 months.

6. Accounts Receivable for Non-Exchange Transactions	
Pilot's license renewal service	136,250
Other services	180,784
Certificate of airworthiness charge	12,947
	<u>329,981</u>

7. Accounts Payable for Exchange Transactions	
Trades Payable	12,061,943
Various staff creditors	528,654
Other payables	638,725
	<u>13,229,322</u>

The financial liabilities above are not charged with interest and are normally settled within a 14-day term, subject to the Financial Regulation.

8. Revenues from Exchange Transactions	
Air Navigation Facility Charges (ANFC)	60,261,714
Calibration payment	663,987
Other professional payments	177,882
Grants	115,246
	<u>61,218,829</u>

9. Revenues from Non-Exchange Transactions	19.02.2018 hingga 31.12.2018 (RM)
Certificate of Airworthiness	4,456,157
Payment for renewal of pilot's license	2,439,750
Airport operation license	1,509,700
Payment for renewal of engineer's license	394,275
Payment for renewal of engineer's license Aircraft registration	125,975
Payment for Aviation Operation Certificate (AOC)	299,713
Other payments	423,969
Payment for Air Services Permit	110,780
Payment for pilot examination	90,790
Payments for Ground Handling	120,500
Payment for engineer examination	69,528
Processing payments	2,000
Copy of license	50
	<u>10,043,187</u>

10. Personnel emolument	19.02.2018 hingga 31.12.2018 RM
Salary and wages	18,224
Allowance and fixed remuneration	222,300
Other financial benefits	26,812
Overtime allowance	102,890
Fixed monthly allowance for members of the Authority	150,323
Allowance for attendance in Authority members meetings	25,750
Authority facilities	17,100
Allowance for attendance in committee meetings	3,500
	566,899



CASH AND BANK BALANCES

19.02.2018 until
31.12.2018 RM

11. Services and supplies

Maintenance and minor repairs	11,313,821
Professional services and others and hospitality	665,357
Travel and living expenses	128,330
Communications and utilities	45,487
Supply of raw materials and materials for repairs maintenance	1,390
Supply and other materials	2,861
Transportation of goods	5,387
	<u>12,162,633</u>

12. Human Resources

For financial year ending 2018, the Authority employs permanent, contract and loaned officers and staff members. The operation of the Authority is managed by officers and staff of the Authority as follows:

Top Management Group	4
Management and Professional Group	581
Support Group	748

13. Related party disclosures – benefits for key management personnel

Key management personnel are those who have the authority and responsibility for planning, directing and controlling the Authority’s activities, both directly and indirectly. The Authority’s key management comprise the Chairman and members of the Authority appointed by the Minister of Transportation. Aggregate remuneration received by the Key Management is as follows:

Aggregate Remuneration	176,073
Number of Chairman and Members of the Authority	7

14. Financial instrument – Financial risk policy

14.1 Objective and financial management risk policy

The purpose of the Authority’s financial management risk policy is to ensure that there are sufficient financial resources for business development, managing credit risk, interest rate, foreign exchange and liquidity. The Authority operates under the clearly set guidelines approved by the Authority and the Authority’s policy is to not involve itself in speculative transactions.

14.2 Credit Risk

Credit risk or risk of third party’s failure to pay are controlled through the implementation of credit approval procedure, limits and strict surveillance. Credit risk is minimised and strictly monitored by limiting the Authority’s cooperation with business partners with high creditworthiness. Debtors are continuously monitored through the Authority’s management reporting procedure.

The Authority does not have major exposure to any individual customers or third party, or even any large concentration of credit risk related to any financial instrument.

14.3 Liquidity risk and cash flow

Liquidity risk and cash flows are risks that the Authority will face in fulfilling its financial obligation due to insufficient funds. The Authority’s disclosure of liquidity risk exists from the difference from financial asset maturity and financial liabilities. The following schedule shows the Authority’s liability maturity profile on the date of report based on the re-payment obligation without contractual discount.

At 31st December 2018	Within one year (RM)	Exceeds one year (RM)	Total (RM)
Accounts Payable for Exchange Transaction	13,229,322	-	13,229,322

The Authority manages liquidity risk and cash flows by ensuring adequate cash and preparing sufficient funds to fulfil the commitment of operational expenses and financial liabilities.



14.4 Foreign exchange risk

The Authority operates in and outside of Malaysia, which results in exposure to foreign exchange risk.

14.5 Fair value

Cash-carried value and cash adjustment, receivables and payables are equal to their fair values due to their short maturity period.

15. Significant events after financial reporting

According to Minutes of CAAM Meeting number 12 held on 6 November 2019, the meeting has decided that the financial statement of CAAM for year 2018 only take into account for transactions outside iGFMAS system due to the entire transactions in iGFMAS system has been reported in financial statement of Kerajaan Persekutuan (PKKP).

Effect on the financial statements of CAAM before and after taking into account the transactions incurred in the iGFMAS system are as follows:

STATEMENT OF FINANCIAL POSITION	REPORTED AMOUNT OF TRANSACTIONS	IGFMAS TRANSACTIONS	SPECIFIED AMOUNT OF TRANSACTIONS
ASSET			
CURRENT ASSET			
Cash and Bank Balances	56,426,483	-	56,426,483
Accounts Receivables for Exchange Transactions	14,977,682	-	14,977,682
Accounts Receivables for Non-Exchange Transactions	329,981	-	329,981
<u>Total Current Assets</u>	<u>71,734,146</u>		<u>71,734,146</u>
NON CURRENT ASSET			
Intangible Assets	20,304	(20,304)	-
Total Non-Current Assets	20,304		-
<u>Total Assets</u>	<u>71,754,450</u>		<u>71,734,146</u>
LIABILITY			
CURRENT LIABILITIES			
Account Payable for Exchange Transactions	13,229,322	-	13,229,322
Total Current Liabilities	13,229,322		13,229,322
<u>NET ASSET</u>	<u>58,525,128</u>		<u>58,504,824</u>
NET ASSET/EQUITY			
Accumulated Surplus of Authority Fund	58,525,128	(20,304)	58,504,824
<u>TOTAL NET ASSETS/EQUITY</u>	<u>58,525,128</u>		<u>58,504,824</u>

STATEMENT OF FINANCIAL POSITION	REPORTED AMOUNT OF TRANSACTIONS	IGFMAS TRANSACTIONS	SPECIFIED AMOUNT OF TRANSACTIONS
STATEMENT OF FINANCIAL PERFORMANCE			
REVENUE			
Revenue from Exchange Transactions	108,446,299	(47,227,470)	61,218,829
Revenue from Non-Exchange Transactions	337,821,867	(327,778,680)	10,043,187
<u>Total Revenue</u>	<u>446,268,166</u>		<u>71,262,016</u>
EXPENSES			
Personnel emoluments	123,032,254	(122,465,355)	566,899
Service and supply	199,665,849	(187,503,216)	12,162,633
Rental	-	27,660	27,660
Domestic and foreign grants	64,096,079	(64,096,079)	-
Other expenses	948,856	(948,856)	-
<u>Total Expenses</u>	<u>387,743,038</u>		<u>12,757,192</u>
Surplus for Financial Period	58,525,128	(20,304)	58,504,824



16. Capital Risk Management

The main objective of The Authority’s capital risk management is to ensure that it maintains a strong credit rating and good capital ratio to ensure it can bear its operation and maximise its Funds.

17. Comparative Figure

No comparative figures are presented as this is the first year The Authority’s financial statement is prepared.

18. Note for Statement of Comparison of Budget and Actual Amounts

The Authority’s budget has been approved and presented on a cash basis for the financial period beginning 1st January 2018 until 31st December 2018, which was approved by the Ministry of Finance based on the budget process of the Federal Department, as the Authority only officially began operating on 19th February 2018. The budget, as approved by the Ministry of Finance, was also presented in the Authority meeting Number 8/2018 on 27th July 2018.

The Authority’s budget and financial statement are prepared using a different basis from the financial statement. The financial statement is prepared under the accrual basis using a classification based on the type of expenses in the statement of financial performance, while the budget was prepared on a cash basis. The amount in this financial statement was rearranged from an accrual basis to a cash basis and was reclassified to the presentation on the same basis as the approved budget.

Comparison of budget and actual amounts, which was prepared comparatively with the approved budget, is then presented in the statement of comparison of budget and actual amounts. Aside from the difference in basis, adjustment to the amount in the financial statement is also made for the difference in format and classification acceptable for the presentation of financial statement and approved budget.

Timing differences exist when the period of budget preparation differs from the financial period during which this financial statement is prepared.

Entity differences exist when the budget does not consider programmes or activities that are not recorded in this financial statement.

Reconciliation between the actual amount as stated in the comparative statement of budget and actual and the actual amount in the statement of cash flows for the financial year ending 31st December 2018 are as follows:

	OPERASI RM	PELABURAN RM	PEMBIAYAAN RM	JUMLAH RM
Actual amount on a comparable basis as presented in the				
Budget and actual comparative statement	107,602,125	-	-	107,602,125
Timing differences	(51,175,642)	-	-	(51,175,642)
Actual amount in the Statement of Cash Flows	56,426,483	-	-	56,426,483