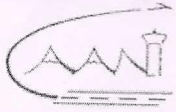


CIVIL AVIATION AUTHORITY OF NEPAL



**Quality Management System
Manual**

**First Edition
January, 2025**



Quality Management System Manual

FOREWORD

The Quality Management System Manual (QMS Manual) has been issued by the Director General pursuant to Rule 82 of Civil Aviation Regulation 2002 (2058 B.S.). This manual provides clear guidelines to help our regulatory teams and stakeholders meet safety objectives while aligning with ICAO standards, and CAAN's policies.

This Quality Management System (QMS) Manual serves as a pivotal framework to enhance our regulatory functions, ensure accountability, and strengthen Nepal's aviation policy in accordance with national and international standards.

Quality assurance is not just a compliance measure, it is the foundation of effective regulation. By implementing structured processes and continuous monitoring, we uphold integrity, efficiency, and transparency in aviation oversight.

As global aviation standards advance, our regulatory framework must evolve to ensure the optimum level of safety and compliance. CAA Nepal encourages all employees to integrate this manual into their daily responsibilities, ensuring that our oversight mechanisms remain proactive, data-driven, and aligned with global best practices.

The Quality Management Section of the Internal Audit and Compliance Department will maintain this manual as complete, accurate and updated as possible. Comments and recommendations for revision / amendment action to this publication shall be forwarded to the head of the Quality Management Section.

Let us remain dedicated to upholding these standards and ensuring safe, secure, and efficient air transportation meeting the global challenges of the aviation sector in Nepal.

.....
Er. Pradeep Adhikari

Director General

Civil Aviation Authority of Nepal

Date:



TERMS, DEFINITIONS AND ABBREVIATIONS

Abbreviations

AIS	Aeronautical Information Services
ASSRD	Aviation Safety and Security Regulation Directorate
CAA	Civil Aviation Authority
CAA Nepal	Civil Aviation Authority of Nepal
CE	Critical Element
CORP	Corporate
DG	Director General
DGCA	Director General of Civil Aviation
Doc	Document
ERP	Emergency Response Planning
EU	European Union
FAA	Federal Aviation Administration
ICAO	International Civil Aviation Organization
ICT	Information and Communication Technology
ISO	International Organization for Standardization
KPI	Key Performance Indicators
MET	Meteorological Information Management
N/A	Not Applicable
OM	Operations Manual
PDCA	Plan, Do, Check, Act
QAM	Quality Assurance Manager
QM	Quality Manual
QMS	Quality Management Systems
SARPs	Standards and Recommended Practices
SMM	Safety Management Manual
SMS	Safety Management System
SSP	State Safety Programme

Abbreviations documented in various directorate/departmental documents shall also apply.



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1. Civil Aviation of Nepal (CAA Nepal) Introduction

The Civil Aviation Authority of Nepal is an autonomous body responsible for the promotion of safe, regular, secure, and efficient civil aviation in and outside the country. It was established on 31st December 1998 as per the Civil Aviation Authority of Nepal Act 2053 B.S. (1996). The governing body of the Civil Aviation Authority of Nepal is the Board of Directors, which deals with policy issues. The Director General who is the Chief Executive Officer of CAA Nepal is a member secretary of the Board, charged with the day-to-day operations and management of the CAA Nepal. CAA Nepal consists of three directorates, three international airport civil aviation offices, and the Civil Aviation Academy under the Director General of Civil Aviation. The directorates, the international airport civil aviation offices, and the Civil Aviation Academy are;

- Aviation Safety and Security Regulation Directorate
- Aviation Services Directorate
- Corporate Directorate
- Tribhuvan International Airport Civil Aviation Office
- Gautam Buddha International Airport Civil Aviation Office
- Pokhara International Airport Civil Aviation Office
- Civil Aviation Academy

1.1 CAAN Mission and Vision

- **Mission:** Ensuring Safe, Secured, Efficient, Standard and Quality Service in Civil Aviation and Airport Operations.
- **Vision:** Making Air Services an Effective Vehicle of high Economic Growth through Wide Scale Tourism Promotion and Accessibility.

1.2 Functions of the Civil Aviation Authority of Nepal

The Civil Aviation Authority of Nepal is responsible for:

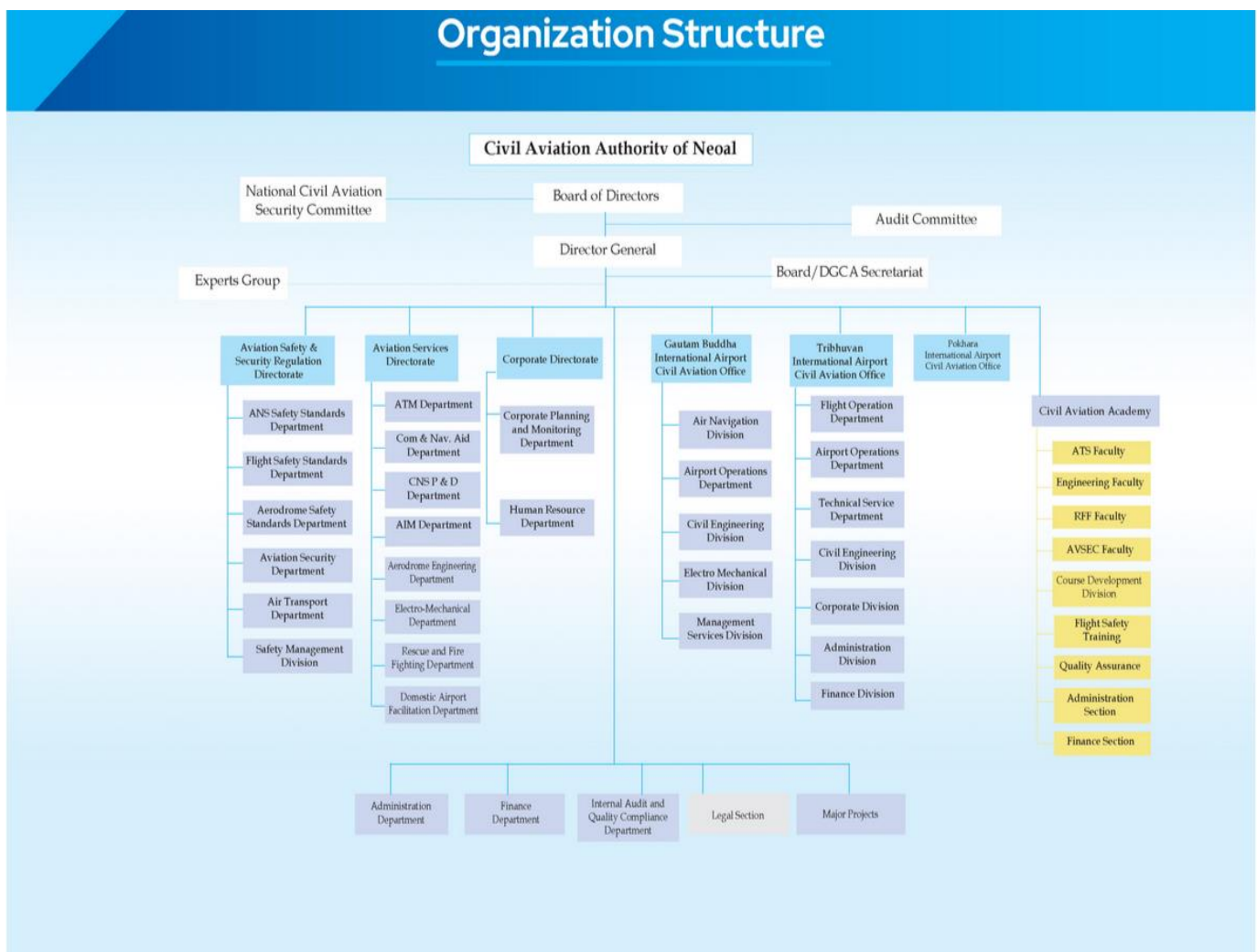
- **Regulatory functions:**
 - a. The regulation of air transportation by ensuring compliance with the international standards promulgated by the International Civil Aviation Organization (ICAO) and National Civil Aviation Requirements.
 - b. The issuance of the Operating Certificate to airlines and other aviation businesses.
 - c. The inspection, monitoring, and oversight of flight safety and Aviation Security.
 - d. The issuance of license, and rating as prescribed, to Pilots, Engineers, ATC, ATSEP & other technical Personnel.
- **Aerodrome Operations & Air Navigation Service Provider Functions:**
 - a. The conduction of feasibility, consultation, construction, operation, management and maintenance of airports and other infrastructures along with passenger facilitation service.
 - b. The provision of ANS services for safe, reliable, standard, efficient and smooth air transportation.



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- c. Providing standard trainings and perusals to human resources needed in civil aviation sector.
 - d. Ensuring proper sources and utilization of grants, loans, government's share for infrastructure development.
 - e. The coordination with different agencies and stakeholders for smooth airport operation and passenger facilitation.
- **International Responsibilities:**
 - a. The enforcement of guidelines and SARPs (Standard and Recommended Practices) of Convention on International Civil Aviation (Chicago Convention).
 - b. The implementation of the Air Service Agreements & MOUs with respective countries.
 - c. Coordination with different national and international organizations for flight safety and aviation security.

1.3 CAA Nepal Organization Structure



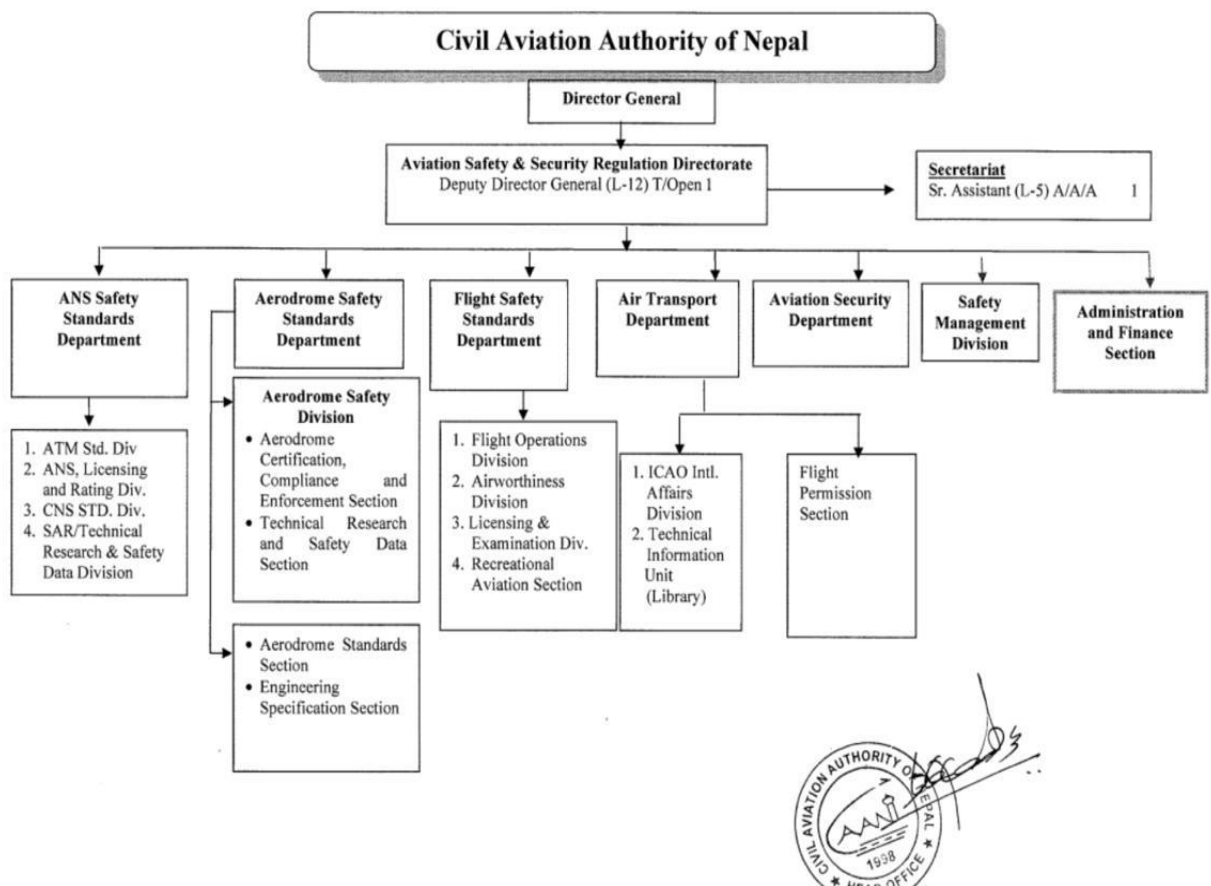


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1.4 Aviation Safety and Security Regulation Directorate (ASSRD)

Aviation Safety and Security Regulation Directorate (ASSRD) is responsible for overseeing the overall regulatory functions of CAAN which is headed by the Deputy Director General (DDG). It ensures the safety and security of Nepal's civil aviation operations by monitoring compliance with ICAO standards, implementing safety management systems, and enforcing aviation safety regulations. Under this directorate, there are five departments and one division, each dedicated to specific regulatory functions.

Structure of ASSRD



1.4.1 Departments and Divisions under ASSRD

1. ANS Safety Standards Department
2. Flight Safety Standards Department
3. Aerodrome Safety Standards Department
4. Aviation Security Department
5. Air Transport Department
6. Safety Management Division



2. Quality Management System (QMS) in CAAN

2.1 Purpose

The Quality Management System (QMS) in the Civil Aviation Authority of Nepal aims to establish a structured framework that ensures safety, efficiency, and regulatory compliance across all aviation operations. By aligning with national and international standards, it promotes a culture of continuous improvement, risk management, and operational excellence, ultimately enhancing air transport's overall safety and reliability.

2.2 Scope

The Quality Management System (QMS) in the Civil Aviation Authority of Nepal extends across all facets of aviation regulatory and oversight functions in line with the quality policy of CAAN, ensuring safe, secure, and efficient air operations. It reinforces compliance with global aviation standards while supporting CAAN's commitment to maintaining a high-performing and well-regulated aviation sector in Nepal through systematic monitoring and quality assurance along with integration of the Safety Management System.

2.3 CAAN Internal Audit and Quality Compliance Department

The Internal Audit and Quality Compliance Department serves as a key oversight body, reporting directly to the Director General of CAAN.

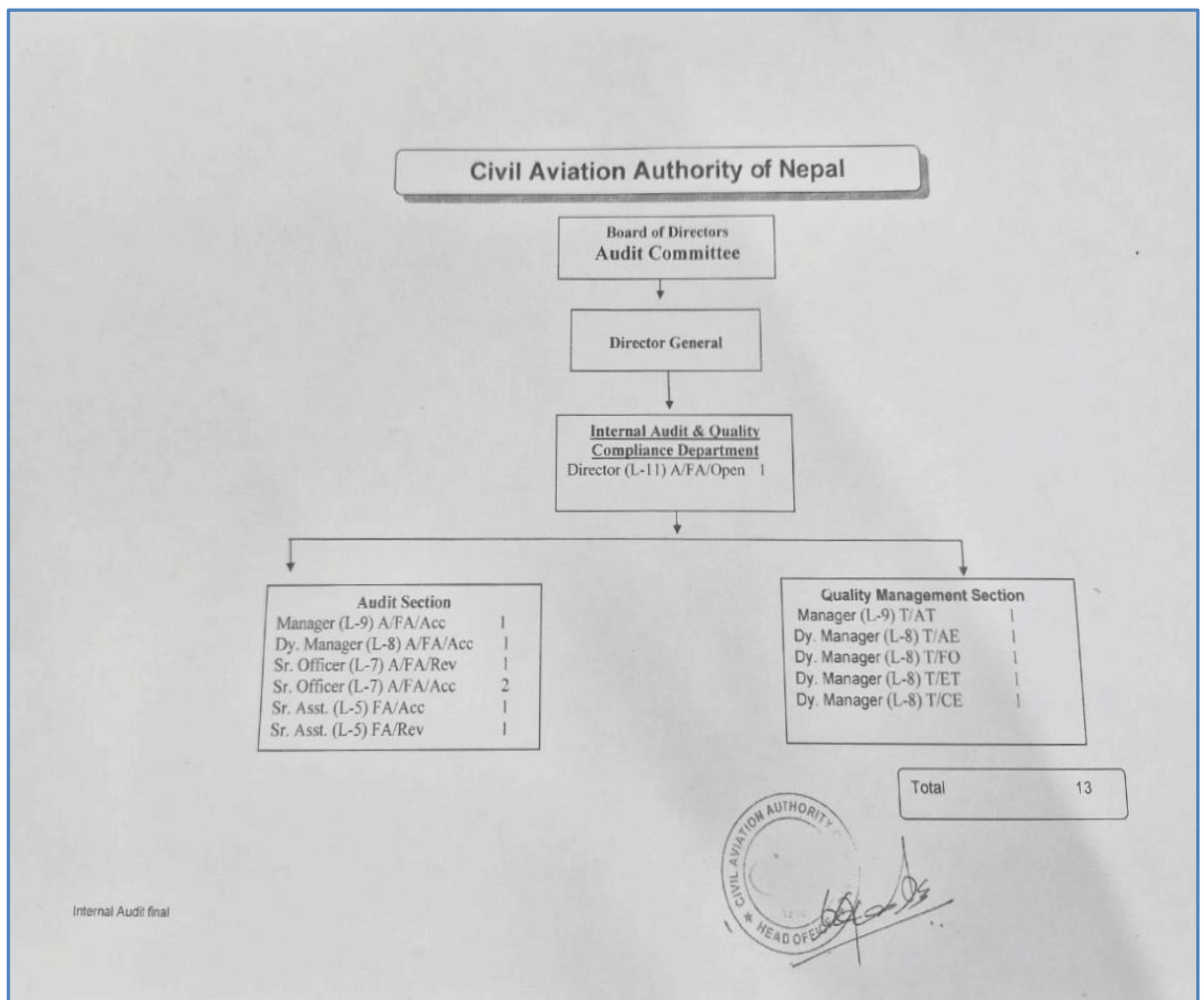
Audit Section under this department oversees the financial and administrative function of the CAAN.

Quality Management Section is responsible for ensuring compliance with national and international aviation standards. It oversees audits, inspections, and implementation processes, aligning them with CAAN's quality policy and regulatory framework to uphold excellence in aviation oversight.



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2.3.1 Internal Audit and Quality Compliance Department Structure



2.3.2 Establishment of the Quality Management Section

The Quality Management Section is established, maintained, and continually improved through the use of the quality policy, quality objectives, audit results, data analysis, corrective and preventive action, and management review.

1. Director of Internal Audit and Quality Compliance (Level 11)

- **Qualifications:** Bachelor's degree from a recognized institution.
- **Responsibilities:** Leading the department, ensuring QMS implementation, and coordinating with DG, DDG, and stakeholders.
- **Training:** Basic understanding on SMS, QMS, auditing techniques, knowledge of CAAN's requirements & procedures, familiarization with SSP.



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2. Manager (Level 9)

- **Qualifications:** Bachelor's degree from a recognized institution.
- **Responsibilities:** Co-ordination with sub-ordinates in ensuring QMS implementation and stakeholders.
- **Training:** Basic training on SMS, QMS, Auditing techniques, knowledge of CAAN's requirements & procedures, and familiarization with SSP.

3. Deputy Managers (Level 8)

- **Qualifications:** Bachelor's degree from a recognized institution.
- **Responsibilities:** Carrying out assigned functions effectively.
- **Training:** Basic training on SMS, QMS, knowledge of CAAN's requirements & procedures, and Auditing techniques.

2.3.3 Key Functions of the Quality Management Section

2.3.3.1 Implementation & Maintenance of QMS

- Develop, implement, and continuously monitor the Quality Management System (QMS) in alignment with ICAO standards and ISO 9001:2015 guidelines.
- Monitor and ensure seamless integration of QMS with Safety Management through the State Safety Programme (SSP) to enhance regulatory effectiveness and operational safety.

2.3.3.2 Quality Audits & Compliance Monitoring

- Conduct internal audits across CAAN's regulatory functions to assess compliance and identify areas for improvement.
- Detect non-conformities/non-compliance in audited areas and oversee the implementation of Corrective and Preventive Actions (CAPA) to address deficiencies.
- Ensure compliance with national and international aviation regulations, fostering a culture of quality and accountability.

2.3.3.3 Risk Management & Continuous Improvement

- Oversee the **risk register** within departments under the audit scope, ensuring proactive risk identification, assessment, and mitigation strategies.
- Promote a **continuous improvement** approach by analyzing audit findings and implementing best practices. CAAN adopts the **Plan-Do-Check-Act (PDCA) cycle** for continuous improvement:

Plan – Identify areas for improvement and set objectives.

Do – Implement process enhancements and corrective actions.

Check – Monitor performance through KPIs and audits.

Act – Make necessary changes to optimize regulatory efficiency.



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2.3.3.4 Document Control & Quality Assurance

- Maintain a proper system for the distribution, revision, and archival of QMS manuals, policies, and procedures.
- Establish and enforce document retention policies for audit reports, corrective action records, and compliance documentation to support regulatory oversight.

2.3.4 Quality Management Section Resources

1. Dedicated office spaces equipped with modern technology.
2. Access to ICAO and CAAN documentation and tools.
3. Software for managing QMS, audits, and performance evaluation.
4. Adequate budget allocation for training and operational needs.

2.3.5 Quality Management Section Facility Layout

1. **Office Spaces:** Separate areas for managerial staff, auditors, and support staff.
2. **Meeting Rooms:** Equipped with video conferencing facilities.
3. **Documentation:** All reference documents required by this Section are accessed through the CAAN official website. Internal working documents are kept safely protecting from theft, flood, and fire.
4. **Training Rooms:** Equipped with modern training aids for capacity-building programs.
5. **Auditing Workspaces:** Dedicated areas for planning and conducting internal audits.



3. Management Commitment

Top management at CAAN demonstrates strong commitment to the QMS by:

- **Establishing Strategic Objectives:** Defining the long-term goals of CAAN related to aviation safety, quality, and operational excellence, in line with ICAO standards and other regulatory frameworks.
- **Establishing Clear Direction:** Setting clear, measurable goals and objectives aligned with CAAN's strategic priorities and regulatory obligations.
- **Defining Policies and Objectives:** Defining policies and establishing objectives for both the QMS and Safety Management, and ensuring these are measurable and aligned with organizational priorities.
- **Fostering a Culture of Quality and Safety:** Promoting a culture that values quality and safety as core principles, ensuring that all employees are engaged and accountable for maintaining high standards.
- **Ensuring Compliance:** Ensuring that CAAN complies with relevant national and international regulations, standards, and best practices for aviation safety, quality, and operational excellence.
- **Ensuring System Integration:** Ensuring that the QMS and Safety Management are integrated into all levels of CAAN's operations and aligned with CAAN's strategic objectives, ensuring no conflicts between the two systems.
- **Allocating Resources:** Ensuring that adequate resources (personnel, technology, funding, etc.) are available to support the QMS initiatives.
- **Monitoring Performance:** Regularly reviewing the performance of the system through audits, KPIs, and reviews to ensure that objectives are being met and improvements are being made.
- **Setting a Leading Example:** Leading by example, top management ensures that the values of safety, quality, and compliance are reflected in their daily actions and decisions.
- **Stakeholders and employees Engagement:** Ensuring that CAAN remains responsive to stakeholders' needs and expectations by encouraging the active participation of all CAAN employees in maintaining and improving the QMS through training, feedback mechanisms, and involvement in decision-making processes.



3.1 Safety Policy Statement



Civil Aviation Authority of Nepal

SAFETY POLICY STATEMENT

Civil Aviation Authority of Nepal (CAAN) is responsible for the management of civil aviation safety in Nepal. We are committed to developing strategies, policies and processes to ensure that all aviation activities within Nepal are carried out to the highest level of safety performance, while meeting international standards.

As Director General of CAAN I am accountable for the implementation, operation and the management of the State Safety Programme (SSP). The SSP sets out our approach to managing aviation safety risk in Nepal and our commitment to:

- a. ensuring that CAAN management is accountable for the delivery of the highest level of safety performance;
- b. establishing an effective SSP that will identify and manage state safety risks to reduce the likelihood of a fatal accident occurring;
- c. working collaboratively with our aviation industry on safety issues to encourage the sharing of safety information;
- d. ensuring that CAAN has sufficient resources and competent personnel to discharge their safety responsibilities;
- e. carrying out surveillance and oversight activities in a targeted and proportionate manner, supported by analyses based on safety risks;
- f. promoting a positive safety culture within CAAN and across the whole of the aviation industry;
- g. establishing a just culture in respect of our safety reporting systems to encourage individuals and organisations to report safety issues or concerns;
- h. establishing state safety objectives supported by meaningful Safety Performance Indicators and Targets to continuously improve safety within Nepal; and
- i. ensuring that no information gathered under the SSP or the SMS will be used as the basis for enforcement action, except in the case of gross negligence or wilful deviation.


Er. Pradeep Adhikari
Director General

Date: 01st February 2022



3.2 Quality Policy Statement



Civil Aviation Authority of Nepal QUALITY POLICY

The Civil Aviation Authority of Nepal (CAAN) is committed to providing a safe, efficient, secure, and environmentally – compliant air transportation system. As the Director General of CAAN, I am accountable for ensuring the adoption of highest quality standards to all our functions through compliance with the standards and implementation of continuous improvement efforts and opportunities through the following endeavors:

1. Provide the required leadership and resources for the development and implementation of a Quality Management System,
2. Fulfill its aviation regulatory oversight functions,
3. Comply with relevant national, international laws and regulations, standards as well as internal procedures,
4. Guarantee qualified, dedicated, professional and technically competent workforce that is self-driven and embraces a quality culture also considering for Next Generation of Aviation Professionals,
5. Describe the duties, responsibilities and connections of the personnel in charge for quality to achieve the set objectives,
6. Ensure that QMS requirements are integrated in the organizational processes,
7. Communicate significance of efficient management and QMS requirements,
8. Use data and information for evidence - based decision making,
9. Sustain the operation through financial stability and viability,
10. Develop our plans and processes based on identified risks and opportunities together with promoting process - approach and risk - based thinking,
11. Realize continuous improvement efforts through consultations, harmonization of best practices, regular audits and reviews of quality objectives, and performance and customer satisfaction across all processes,
12. Ensure that the QMS provides intended results,
13. Obtain QMS certification as per QMS implementation roadmap,
14. Encourage participation and promotion of quality responsibilities amongst all employees and interested parties,

This Quality Policy shall be made known to all employees and partners and shall be reviewed periodically for its continuing suitability.


Er. Pradeep Adhikari
Director General

17th July 2023



3.3 Quality Policy Implementation

The quality policy statement incorporates CAA Nepal's commitment to regulatory oversight and other functions in line with the national, and international laws and regulations, standards as well as international procedures.

The Quality Management System (QMS) in the Civil Aviation Authority of Nepal extends across all facets of aviation's regulatory and oversight in line with the quality policy of CAAN.

3.4 Integration of Quality Management & Safety Management

CAAN integrates its Quality Management System (QMS) with the State Safety Program (SSP) to enhance aviation safety and regulatory efficiency. This approach aligns with ICAO Doc 9859 guidance on QMS for Civil Aviation Authorities. As a regulator, CAAN oversees service providers' Safety Management Systems (SMS) as a part of SSP implementation, while the Internal Audit and Quality Compliance Department manages QMS implementation to strengthen regulatory functions and ensure compliance with international safety and quality standards.

Key Integration Areas:

- **Risk-Based Oversight:** Applying a risk-based approach to quality and safety assessments for proactive hazard management and effective regulation.
- **Data Sharing & Performance Monitoring:** Coordinating QMS data collection with SSP
- **Regulatory Compliance & Continuous Improvement:** Ensuring safety and quality compliance with ICAO SARPs.



4. Documentation and Records Management

Documentation and records management are essential components of CAAN's Quality Management System (QMS), ensuring that all activities, processes, and decisions are properly recorded and traceable. This chapter outlines the framework and procedures for managing documentation and records in compliance with ISO 9001:2015 standards and ICAO guidelines, as well as ensuring the integration into the State Safety Programme.

The purpose of this chapter is to establish clear policies and procedures for creating, reviewing, maintaining, and controlling documents and records that support the effective operation and continuous improvement of the QMS and SMS.

Normally, documents are classified as below:

- a) Level 1 (Primary Regulation Framework):** Civil Aviation Act, Regulations, Requirements, and Directives
- b) Level 2 (Regulatory Guidance and Implementation):** Advisory Circulars (ACs), Guidance material, Safety Bulletins, etc.
- c) Level 3 (Internal Procedures and Manuals):** Manuals, SOPs, handbook, etc.
- d) Level 4 (Confidential or Restricted):** Investigation Reports, confidential safety data, etc.

Regulatory documentation control typically operates at different levels maintaining various national and international technical data, scope, and criticality of the documents. This level ensures that records are properly stored based on their regulatory impact and operational importance.

a) Level 1 (Primary regulatory framework):

These include high-level regulatory documents that form the legal and policy framework of civil aviation. Examples: Civil aviation Law / Act, Civil aviation regulation (CARs), State Safety Program (SSP), and International conventions (e.g. ICAO Annexes). Prioritizing key focus on Legal compliance, international obligations, and state-level aviation governance.

b) Level 2 (Regulatory Guidance and Implementation):

These include Advisory circulars (ACs), Guidance materials (GM), and Certification/approval distributed to airlines, MROs, AMOs, ATOs, etc.).

c) Level 3 (Internal Procedures and Manuals):

These include Internal working documents of each regulatory department/division of which CAAN performs its oversight functions at airlines, MROs, AMOs, ATOs, Aerodromes, ANS, etc., and training records of responsible personnel of each regulatory department/division of CAAN.

Examples: Standards operating procedure, Audit procedure and Audit Checklist,

d) Level 4 (Confidential or Restricted):

These documents should be restricted access due to security, safety, or legal considerations. Examples: Security Directives, Safety investigation reports (post-accident), Confidential safety data, Internal audit reports with sensitive findings, etc.



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4.1 Distribution and accessibility of documents

The main purpose of control of documents in the Quality Management Section in CAAN is to ensure the Integrity, Reliability, and Traceability of the information critical to aviation safety, security, and regulatory compliance, especially aims to:

- Ensure compliance with regulation.
- Support safety and oversight: To provide reliable records that support the oversight of aviation activities, including certification, surveillance, audits, and enforcement actions.
- Protect data integrity and security
- Facilitate effective communication
- Support continuous improvement: To provide historical data and lessons learned that can be analyzed for trends, and root causes of safety issues. And areas for regulatory improvement.

4.2 Records Management

Records are defined as any documented information created or received by CAAN that provides evidence of the organization's activities, performance, or compliance with regulatory and operational requirements. Records are vital for providing evidence of compliance with CAAN's QMS and SMS and for demonstrating continuous improvement. This section outlines the principles for managing records to ensure they are complete, accurate, and accessible when needed. Examples of records include training records, audit reports, corrective action records, safety reports, performance assessments, and inspection logs.

4.2.1 Record Control:

- All records are controlled to ensure their authenticity, accuracy, and integrity. Records are categorized based on their relevance and sensitivity, and access is restricted to authorized personnel.
- A record retention schedule is established to define the duration for which different types of records should be retained. This schedule is in line with CAAN's policies, regulatory requirements, and ICAO guidelines.

4.2.2 Record Retention:

- Records are retained for the minimum period specified in the government documents disposal rules, after which they may be disposed of securely if no longer required for operational or legal purposes.
- Special consideration is given to records that may have long-term value, such as those related to safety, regulatory compliance, or incident investigations.

4.2.3 Record Storage:

- CAAN ensures that records are stored in a manner that prevents unauthorized access, loss, or damage. Records may be stored in both physical and electronic formats, with appropriate safeguards in place for both.



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- Electronic records are stored in a secure, backed-up system with access controls to prevent unauthorized modifications.

4.2.4 Access and Retrieval:

- All records are readily accessible to authorized personnel for use in audits, investigations, performance evaluations, and regulatory inspections.
- CAAN implements an effective record retrieval system that allows records to be quickly located and retrieved when needed.

4.2.5 Confidentiality and Security:

- CAAN places a high priority on the confidentiality and security of records, especially those that contain sensitive or proprietary information. Access to such records is restricted and managed according to the sensitivity of the information as per requirement laid down in the Appendix 3 of Civil Aviation Requirement for Safety Management (CAR19).
- The integrity of records is maintained by applying controls such as versioning, approval workflows, and secure storage.

4.3 Disposition of Quality Records

The purpose of this procedure is to define the system for the maintenance, identification, indexing, retention, and control of documents and records to ensure that all regulatory requirements have been met. Disposition of records also includes their disposal. The Director, of internal audit and quality compliance has the overall responsibility for the record control system, including the issuance and maintenance of this procedure.

Records retained beyond their specified retention period outlined in 4.2.2 must be marked 'archive' or 'obsolete' records. Those not retained must be destroyed (i.e., shredded or deleted) as soon as practicable after the retention period has lapsed.

4.4 Records Backup System

Departments utilizing an electronic system for the management and control of operational records shall ensure scheduled generation of backup files for such records is performed at the specified intervals.

4.5 Continuous Improvement of Documentation and Records Management

To ensure the continued effectiveness of CAAN's documentation and records management system, regular reviews and continuous improvements are implemented. Feedback from audits, employees, and external stakeholders is incorporated into the system to enhance its efficiency and alignment with CAAN's objectives.

Based on feedback and audit results, CAAN makes continuous improvements to its processes, ensuring that documentation and records management remain effective and compliant with all applicable standards.



5. Internal and External Communication

CAA Nepal maintains procedures to ensure that its employees and relevant stakeholders are aware of the following:

- Importance of compliance with CAA Nepal Quality Policy and objectives and their individual roles and responsibilities in achieving it.
- Potential consequences of departure from agreed operating procedures and mechanisms for suggesting to management, improvements in the procedures, in which they and others operate.
- CAA Nepal maintains procedures for communicating Quality information, consistent with its Policy and applicable legislation and regulations.
- CAA Nepal maintains procedures for receiving and responding to communications from staff, relevant stakeholders, and external parties concerning its Quality performance and management.
- Communication process within the organization will include among others: management/departmental/sectional/staff meetings, circulation of minutes of management review meetings, newsletter, bulletins, notice boards, intranet, internet, staff magazine, letters, internal memos, seminars, workshops and any other communication processes that shall be communicated from time to time.
- Communication regarding staff contribution to the achievement of the organizational objectives is also encouraged, conveyed, and reinforced during staff appraisal.



6. Management Responsibility

The leadership at the Civil Aviation Authority of Nepal (CAAN) plays a crucial role in ensuring the effective implementation, maintenance, and continual improvement of the Quality Management System (QMS). Top management is responsible for establishing the strategic direction, defining quality and safety objectives, ensuring resource availability, and promoting a culture of continuous improvement throughout the organization.

6.1 Delegation of Responsibilities

While top management holds the ultimate responsibility for QMS, the effective operation of the systems requires the delegation of specific responsibilities throughout the organization. The delegation of responsibilities must be clear and structured to ensure accountability at all levels.

- **Departmental Directors:** Responsible for implementing QMS processes within their departments and ensuring that quality and safety objectives are met. They will also oversee daily operations, and performance reports, and support continual improvement.
- **QMS Division/Section Head:** Responsible for coordinating and monitoring the QMS within their respective functions. They work directly with departmental directors to ensure the systems are being followed and improve processes when necessary.
- **Auditors:** Responsible for conducting internal audits and evaluations to assess the effectiveness of QMS implementation, ensuring compliance with regulations and standards.
- **Employees:** All employees are expected to adhere to the processes outlined in the QMS participate in training programs, and report any safety concerns or quality issues that could impact the organization's performance.

6.2 Management Review

Management reviews are a key mechanism for assessing the performance of the QMS. These reviews, conducted at regular intervals, will be used to evaluate the effectiveness of the systems, identify areas for improvement, and align them with CAAN's overall strategic direction.

- **Inputs to Management Review:** Key inputs include audit results, performance data, non-conformities/non-compliance, corrective and preventive actions, customer feedback, and the status of previous improvement initiatives.
- **Review Process:** Management will analyze the performance data, evaluate the effectiveness of the QMS, and set new targets for improvement as necessary.
- **Action Items and Follow-Up:** Following the review, management will identify action items, assign responsibilities, and ensure follow-up to close any gaps or address any identified issues.

6.2.1 Conduct of the Review Meeting

1. The Director General shall chair the management review meeting.
2. Other members of the review team shall include Deputy Director Generals, relevant Departmental Directors, and any other staff approved by the Director General.



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3. The head of Quality shall report to the meeting the current status of QMS, a summary of both internal and external assessments, suggestions for improvements, complaints/compliments, etc.

6.2.2 Frequency

Management review meetings shall be held at least twice a year or at any appropriate time as deemed necessary by the Director General.

6.2.3 Results of the management review

- After deliberations, the meeting shall make resolutions that respective members shall undertake to implement.
- All corrective and preventive actions arising out of management reviews shall be handled as per the respective procedures.
- Top management shall ensure that the agreed actions are carried out within a specified time frame.



7. QMS Audit

7.1 Audit Policy

The Civil Aviation Authority of Nepal (CAAN), as the primary aviation safety regulator, is responsible for developing, implementing, and enforcing aviation safety regulations in alignment with national and international standards. It fulfills Nepal's State Safety Oversight (SSO) obligations, ensuring that all regulatory functions uphold the highest levels of safety, compliance, and accountability.

To achieve this, CAAN has established a comprehensive regulatory framework that integrates auditing, surveillance, inspection, certification, and continuous improvement. These functions are critical to maintaining an effective oversight system that identifies risks, ensures compliance, and promotes a proactive safety culture.

All personnel are required to perform their duties in strict adherence to approved manuals, procedures, and handbooks. The Quality Management Section leads an annual audit plan, with a primary focus on the Aviation Safety and Security Regulation Directorate (ASSRD), to assess compliance with CAAN's regulatory requirements.

The audit process differentiates between compliance and enforcement—ensuring that while compliance audits verify adherence to regulations, enforcement actions address intentional violations or systemic deficiencies. Audits focus on assessing actual operational practices against established regulatory requirements. Any deviation from approved procedures results in non-compliance or non-conformance, triggering corrective actions.

The Quality Management Section implements a documented surveillance system through structured inspections, audits, and ongoing monitoring activities, ensuring that all regulatory requirements are effectively met and continuously improved.

7.2 Types of Audits

Planned Audit:

- Conducted annually as per the yearly audit plan.
- Aims to evaluate internal controls and ensure compliance and conformance with regulations, standards, procedures, manuals, and handbooks.
- Auditors coordinate with departments at least one week in advance.
- Audit findings lead to corrective action plans (CAP), which are followed up to ensure closure.

Un-planned Audit:

- Randomly conducted throughout the year, focusing on specific functions or critical areas.
- No fixed schedule and the scope is limited to high-risk areas identified during previous audits.

7.3 Audit Frequency

Planned audits occur annually, primarily focusing on ASSRD. Un-planned audits are conducted at any time, with frequency depending on department size, complexity, and prior audit findings.



7.4 Guidelines for Findings in QMS Audit

- **Compliance / Non-Compliance** for legal and regulatory adherence.
- **Conformance / Non-Conformance** for QMS process evaluations
- **Observation** for noteworthy remark or potential issue that does not yet constitute a non-conformity/non-compliance but may lead to one if not addressed.

7.5 Resolution of Findings

- **Compliance/Conformance:** Does not need any further action.
- **Non-Compliance/Non-Conformance:** Requires timely corrective action.
- **Observation:** Should be addressed proactively to prevent escalation.

7.6 Audit Plan

The audit plan, developed based on the complexity of auditee operations, includes both periodic and unannounced surveillance visits. It focuses on compliance with approved procedures, ensuring an accurate assessment of operations. The plan also covers follow-up visits for areas with previous deficiencies. Auditors document and retain surveillance findings for future reference.

7.7 Review Meeting

The **Director General** holds Bi-annual meetings (June and December) with senior staff to review audit findings and ensure compliance with corrective actions.

7.8 Quality Audit Checklist

The **Quality Audit Checklist**, an evolving document, is maintained by the Quality Management Section and is regularly updated. It is prepared in a generic format, tailored to the specific functions of the department being audited. The checklist is controlled and approved by the Director General as a separate document and will be considered an integral part of QMS Manual.



8. Audit Principles:

The audit principles used in CAAN will be focused in ensuring compliance with national regulations, international standards, requirements, and safety practices. These principles ensure effective oversight and promote the safe and efficient operation of aviation services. Below are the highlights of auditing principles that is applied by CAAN.

a) Independence: The auditor must maintain independence from entities being audited to avoid conflicts of interest

b) Evidence-based approach: Findings and conclusions must be based on verifiable evidence, such as documents, interviews, and observation. The approach to the auditing process should be transparent and accurate in the audit report.

c) Risk-based Focus: Auditing will be focused on higher-risk areas.

d) Compliance with ICAO standards: To assess the effectiveness as per international regulations and standards.

e) System Approach: To apply structured and consistent methodology audit using checklist and guidelines.

f) Transparency and accountability: To communicate audit objectives, scope, and findings clearly to the auditee. To ensure accountability for both the auditee and auditing team.

g) Continuous Improvement: To promote a culture of continuous improvement by identifying gaps and recommending corrective actions. To encourage feedback from auditees to refine the auditing process.

h) Focus on Safety Management: To evaluate the implementation and effectiveness of safety management within aviation organizations.

i) Follow-up and corrective action: To verify that findings and non-compliance from previous audits are addressed through corrective actions.

j) Competence of auditors: To ensure inspectors and auditors in CAA Nepal are qualified, trained and experienced to carry out inspection/ auditing in aviation organization. The inspectors and auditors should maintain continuous training and to stay up to date on regulatory changes.

8.1 Procedure for Quality Audit

1. Audit Team Formation & Notification:

- The Quality Management Section forms an audit team (minimum two auditors) based on the department's size and complexity.
- Notify the Department/Division by email or letter at least seven days in advance with audit agenda. The format of audit agenda is mention in APPENDIX-1



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- Any additional deferments require approval from the Director of Internal Audit and Quality Compliance.
- If the audit cannot proceed due to continued unavailability, it **shall be reported** to the Director General as required.

2. Pre-Audit Preparation:

- Auditors review department-specific materials (1–2 days before the audit).
- The Director of Internal Audit and Quality Compliance ensures auditors are relieved of other duties for effective preparation.

3. Entry Meeting:

- Conducted on Day 1 with department representatives.
- Covers audit objectives, methodology, and scope.
- Documented in the Audit In-Brief Form.

4. Audit Execution:

- Audit conducted using a department-specific checklist covering all functions.
- Audit performed on a sample basis, with additional samples if compliance issues arise.
- Auditors must be accompanied by a senior qualified member of the department.
- Findings recorded in the checklist, provisionally categorized as Compliance/Conformance, Non-Compliance/Non-Conformance, and Observation
- Immediate corrective evidence, if provided, may exclude findings from the final report.

5. Exit Meeting & Reporting:

- Findings debriefed to department representatives at the end of the audit.
- Exit meeting documented in the Audit Exit-Brief Form.
- Checklist stored in the department file.

6. Handling Unclear Compliance/Conformance Issues:

- Preparation of draft report and communication with auditee for comments
- If uncertainty arises, the Quality Management Section reviews the issue before finalizing findings.
- If compliant, verbal confirmation suffices. If non-compliant, findings are documented in the Quality Reporting Form.

7. Quality Discrepancy Reporting:

- Two copies of the Quality Discrepancy Reporting Form (Appendix-I) issued, including:
 - Reference to requirements
 - Categorization (Compliance/Conformance, Non-Compliance/Non-Conformance, and Observation)
 - Rectification due date



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- First copy: Includes audit evidence, checklist, in-brief & exit-brief forms, and filed in department records.
- Second copy: Sent to the Department/Division with a cover letter.
- Findings confirmed in writing within fifteen days.
- Data entered into Audit Finding Tracking Tools.

8. Corrective Action & Follow-Up:

- The department submits a Corrective Action Plan (CAP) within one month, following root cause analysis.
- Auditor reviews CAP within fifteen days for adequacy.
- Acceptance or rejection communicated to the Department/Division.
- CAP and acceptance letters are stored in department files.
- Audit Finding Tracking Tools updated with CAP and root cause analysis.
- Auditors monitor rectification due dates and conduct follow-up audits or spot checks as needed.

9. Non-Compliance/Non-Conformance & Follow-Up Audits:

- These findings require corrective action within the agreed time frame. An extension (up to three additional months) may be granted based on past performance and subject to approval.
- Unjustified failure to close findings leads to administrative action as per CAAN Employee Regulation Rules 13.2 (D)
- Follow-up audits follow the same procedures outlined above.
- Follow-up audit results updated in tracking tools and department files.

Tools used during the Audit:

- Quality Audit Checklist (Department/Division-specific)
- Audit In-Brief & Exit-Brief Forms
- Quality Reporting Form
- Audit Finding Tracking Tools
- Notepad, Stickers

Note: Refer to Appendix-7 for a summary of audit procedures.



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APPENDIX-1: AUDIT/INSPECTION AGENDA



Civil Aviation Authority of Nepal, Kathmandu
Quality Compliance Section

AUDIT AGENDA

ANNUAL SCHEDULED AUDIT-QMS		
AUDIT TEAM:	Start Audit	
	End Audit	

DAY-1

S/N	Time	Agenda Items	Present
1			
2			
3			

DAY-2

S/N	Time/Time	Agenda Item	Present
1			
2			
3			

DAY-3.....

DAY-4.....

DAY-5.....



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APPENDIX-2: AUDIT IN-BRIEF FORM



Civil Aviation Authority of Nepal, Kathmandu
Quality Compliance Section

Audit Ref.	CAAN-QMS/YEAR/Ref. No.	<input type="checkbox"/> Initial	Audit Date	
		<input type="checkbox"/> Follow Up		
Department/ Division				
Audit Type		Location		
Areas to be Audited				

AUDITOR TEAM			DEPARTMENT/ DIVISION TEAM (AUDITEE)		
Name	Designation	Signature	Name	Designation	Signature
1.			1.		
2.			2.		
3.			3.		
4.			4.		
5.			5.		
Meeting Agendas	1. Briefed about purpose of audit and scope of audit. 2. Briefed about the audit procedure and audit checklist. 3. Briefed about sample documents that will be reviewed by audit team. 4. Briefed about sample aircraft check.				
Lead auditor shall brief meeting agenda to Department/Division Team (Auditee).					



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APPENDIX-3: AUDIT EXIT-BRIEF FORM



Civil Aviation Authority of Nepal, Kathmandu
Quality Compliance Section

Audit Ref.	CAAN-QMS/YEAR/Ref. No.	<input type="checkbox"/> Initial <input type="checkbox"/> Follow Up	Audit Date		
Department/ Division					
Audit Type		Location			
Areas to be Audited					
AUDITOR TEAM			DEPARTMENT/ DIVISION TEAM (AUDITEE)		
Name	Designation	Signature	Name	Designation	Signature
1.			1.		
2.			2.		
3.			3.		
4.			4.		
5.			5.		
<u>Findings Observed in Significant Areas:</u>					
Acceptance: The raised findings by auditors are understood and are accepted.					
Department/ Division Rep.:		Signature:	Place:	Date:	



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APPENDIX-5: AUDIT REPORTING FORM



Civil Aviation Authority of Nepal, Kathmandu
Quality Compliance Section

Audit Ref.	CAAN-QMS/YEAR/Ref. No.		Audit Date			
Department/ Division			<input type="checkbox"/> Initial	<input type="checkbox"/> Follow-Up		
Audit Type	<input type="checkbox"/> Unplanned	<input type="checkbox"/> Planned	Location			
Audit Area						
Audit Team						
Auditee Team						
S/N	Audit Items	Findings	Non-Compliance/Non-conformance	To be filled by Auditee		
				Corrective Action Plan	Date of Completion	Signature of Directorate/ Dept./ Div. Chief
						Date:
<u>Observation/Recommendation:</u>						
Auditor(s)	Name and Designation		Signature		Date of Audit Report submission	



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APPENDIX-6: PROCEDURE FOR VERIFICATION OF DIRECTORATE/ DEPARTMENT/DIVISION CORRECTIVE ACTION PLAN

Purpose

To review and determine the acceptability of the corrective action plan submitted by the Directorate/Department/Division.

Circumstances of Use

This procedure is to be followed whenever a Department/Division submits a corrective action plan to address audit or inspection findings.

Reference Criteria

- Inspection or audit report findings
- Applicable regulatory requirements, procedures, manuals, or handbooks related to the audit/inspection findings

Coordination

Collaborate with relevant experts involved in the audit or inspection process.

Tasks to Perform

1. Review each proposed corrective action against the audit or inspection findings.
2. Ensure that the proposed corrective actions:
 - a) Address the specific findings.
 - b) Identify the root cause(s) of the identified discrepancy (refer to CAA Nepal's root cause analysis guidelines).
 - c) Address all elements of the finding.
 - d) Are sufficient to resolve the identified discrepancy.

If any of the points (a), (b), or (c) are deemed unsatisfactory, provide clear reasons for the unsatisfactory determination. These reasons will be used in formal communication with the Department/Division.

3. If points (a), (b), and (c) are satisfactory, assess whether the proposed target completion date is:
 - a) Adequate to mitigate immediate safety risks.
 - b) Suitable for implementing a medium- and/or long-term solution to fully resolve the finding.

If the proposed timeline is deemed unreasonable or inadequate, document the reasons for the unsatisfactory assessment. These reasons will be communicated to the Department/Division.

4. Upon reviewing the entire corrective action plan, ensure all findings have been addressed and identify any remaining issues. Prepare formal communication outlining the assessment of each proposed corrective action, including whether the action and target completion date are deemed satisfactory. For each unsatisfactory item, provide the reasoning.



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CAP Review Status Letter

Date: _____
[Department/Division Name]

Subject: Review of Corrective Action Plan

Dear [Sir/Title/Name],

Following the review of the corrective action plan submitted on [date], we have identified that certain proposed actions do not fully address the related findings or lack an appropriate completion target date.

The missing elements or dates are detailed in the attached document, specifying the findings that require further action. Please update the identified actions and submit the revised plan no later than [date].

Thank you for your cooperation.

Sincerely,
[Your Name]
[Your Title]
[Department/Division Name]

Name of Department/Division: _____ File number : _____

Audit Date: _____ Inspection Date : _____

Corrective action plan submission date: _____

FINDING NUMBER	FINDING / CORRECTIVE ACTION SUBJECT	OBSERVATIONS/COMMENTS



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APPENDIX-7: SUMMARY OF AUDIT PROCEDURE

S/N	Audit Process	Timeline	Forms to be used	Responsibility	Remark
1.	Internal preparation	1-2 days before audit	-----	Audit Team	Appropriate/ Assigned Quality Auditor
2.	Audit Entry Meeting	1 st day of Audit	Audit In-Brief Form	Audit Team Leader	
3.	Audit conduct	No. of days depending on scope; complexity and size of the Department/ Division	Quality Audit checklist	Quality Audit Team	
4.	Audit Exit Meeting	last day of Audit	Audit Exit-Brief Form	Quality Audit Team Leader	
5.	Preparation of audit report along with Categorization of findings (Compliance/Conformance, Non-Compliance/Non-Conformance, and Observation)	Within 15 days	Audit Reporting Form	Quality Audit Team	
6.	Deadline to submit the Corrective Action Plan (CAP) along with Root Cause Analysis	Within one months	Corrective Action Form	Department/ Division	Refer: Guidance on root cause analysis and corrective action process to address CAA Nepal findings of non-compliance
7.	Preparation of Audit Finding Tracking tools	After preparation of Audit Report within 15 days	Audit Finding Tracking tools	Audit Team Leader	
8.	Monitoring of CAP submission due date	Up to 3 days before CAP Submission due date	Audit Finding Tracking tools	Audit Team Leader	If not sent, remind the responsible person of the Auditee to submit the CAP within the deadline
9.	Review of Root Cause Analysis and Acceptance of Corrective Action Plan CAP	Within 15 days	Audit Finding Tracking tools	Audit Team Leader	If satisfied, send a CAP acceptance letter. If not satisfied. Send a letter to the auditee notifying CAP is not acceptable and request for resubmission of CAP.
10.	Update Audit Finding Tracking tools with Root Cause Analysis and CAP	Within 7 days of acceptance of Root Cause Analysis and CAP	Audit Finding Tracking tools	Audit Team Leader	
11.	Monitoring of Audit Finding rectification due date	Up to 15 days before Audit Finding rectification due date	Audit Finding Tracking tools	Audit Team Leader	Plan for Follow-up audit which needs to be conducted within Audit finding Rectification Due Date
12.	Follow up Audit Preparation	Repeat the process from top			



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APPENDIX-8: SAMPLE AUDIT PROGRAM

QMS Audit Program Year

Audit Area	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Aviation Safety and Security Regulatory Directorate												
ANS Safety Standard Department												
Aerodrome Safety Standard Department												
Flight Safety Standard Department												
Air Transport Department												
Aviation Security Department												
Safety Management Division												