

ARGYLL & BUTE COUNCIL

Internal Audit Section

INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	DEVELOPMENT AND INFRASTRUCTURE SERVICES
AUDIT DESCRIPTION	RISK BASED AUDIT
AUDIT TITLE	OBAN AIRPORT
AUDIT DATE	MAY 2017

2017/2018



1. BACKGROUND

This report has been prepared as part of 2017/18 risk based Internal Audit Annual Plan and has been conducted in accordance with relevant auditing standards. The report is based on discussions with key personnel and information available at the time of the Audit.

Oban Airport Aerodrome manual has been produced to satisfy the requirements of the UK Civil Aviation Authority (CAA), Health and Safety legislation and the Air Navigation Order. The Aerodrome Manual sets out operational procedures, accountability by personnel and importantly acts as an information manual to assist personnel in performing their role.

Records are kept on an Access database called the 'Navigator System' which has been created in house by the Station Manager. In addition, the service also operates the 'RedKite' system tracker which is a recognised equipment management and personal development system.

Scheduled services operate from Oban airport to Coll, Colonsay, Islay and Tiree. They also operate scholar flights for island school children. Additionally, the Airport deals with chartered traffic and military flights as well as general aviation traffic such as medevacs, training flights and scenic tours by private operators.

The 2017/18 net operating budget for the airport is £564K.

2. AUDIT SCOPE AND OBJECTIVES

The main objective of the audit was to;

- Review previous external audits to ensure that corrective actions have been completed.
- Evidence availability and completeness of inspections and reporting logs in respect of the undernoted:
 - Airfield Inspections
 - Runway Inspections
 - Lighting Inspections
 - Aircraft Movements
 - Incidents and Accidents

Controls included:

- Authority – Roles and delegated responsibilities are documented in Aerodrome Manual and are operating well in practice
- Occurrence – Sufficient documentation exists to evidence compliance with Aerodrome manual.
- Completeness – Required documentation is accurately and fully maintained
- Measurement – Aerodrome manual in line with relevant legislation and guidance and all required documentation is accurately and fully maintained
- Timeliness – Actions and decisions are carried out in a timely manner
- Regularity – Documentation is complete, accurate and not excessive and is compliant with the data retention policy. It is stored securely and made available only to appropriate members of staff.

3. RISKS CONSIDERED

- Failure to follow the procedure manual could contribute to an increased risk of Accidents.
- Failure to follow the procedure manual could result in the airport losing its CAA operating licence.

4. AUDIT OPINION

The level of assurance given for this report is Substantial

Level of Assurance	Reason for the level of Assurance given
High	Internal Control, Governance and the Management of Risk are at a high standard with only marginal elements of residual risk, which are either being accepted or dealt with. A sound system of control is in place designed to achieve the system objectives and the controls are being consistently applied.
Substantial	Internal Control, Governance and management of risk is sound, however, there are minor areas of weakness which put some system objectives at risk and where specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.

Reasonable	Internal Control, Governance and management of risk are broadly reliable, however although not displaying a general trend there are a number of areas of concern which have been identified where elements of residual risk or weakness with some of the controls may put some of the system objectives at risk.
Limited	Internal Control, Governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.
No Assurance	Internal Control, Governance and management of risk is poor, significant residual risk exists and/ or significant non-compliance with basic controls leaves the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.

This framework for internal audit ratings has been developed and agreed with Council management for prioritising internal audit findings according to their relative significance depending on their impact to the process. The individual internal audit findings contained in this report have been discussed and rated with management.

A system of grading audit findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:-

<p>High - major observations on high level controls and other important internal controls. Significant matters relating to factors critical to the success of the objectives of the system. The weakness may therefore give rise to loss or error;</p>
<p>Medium - observations on less important internal controls, improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system and items which could be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified;</p>
<p>Low - minor recommendations to improve the efficiency and effectiveness of controls, one-off items subsequently corrected. The weakness does not appear to affect the ability of the system to meet its objectives in any significant way.</p>

5. FINDINGS

The following findings were generated by the audit:

- The Oban Airport aerodrome manual is available on the HUB and was last updated in October 2016.

Review previous external audits to ensure that corrective actions have been completed:

- In reviewing previous audits and following discussions with management it was noted that there are no outstanding corrective actions.

Evidence availability and completeness of inspections and reporting logs:

A review of the reports recorded within the airport “Navigator” database highlighted the following:

- The record of Airfield inspections is as prescribed in the aerodrome operating manual and inspections are carried out daily as required per section 2.1, part 4 of the manual.
- It was evidenced that runway inspections are available and complete as prescribed in the aerodrome operating manual section 2.3, part 4 and that corrective actions had been carried out where required.
- It was evidenced that lighting inspections records are available and complete as outlined in the aerodrome operating manual and that inspections have been carried out daily as required per section 4.5, part 4. Lighting faults are noted against specific lights with comments, where appropriate, recorded in the comments box.
- The aerodrome manual part 4 stipulates that aircraft movements should be recorded by the Area Flight Information Service Officer (AFISO) in the aircraft movements log and should show the following details:
 - Aircraft registration
 - Aircraft type

- Flight Number
- Type of Flight
- Destination or departure aerodrome
- Actual time of Departure/arrival
- Aircraft Operator
- Number of Persons on-board

It was evidenced that records regarding aircraft movements are generally available and complete as per requirement outlined in the aerodrome manual however it was noted that no record of call sign or flight number was recorded in respect of a regular commercial services.

- It was evidenced that defects are recorded and split between due and overdue defects. An analysis of the data showed that in total there were 5 overdue defects. Details of overdue defects and reasons given are outlined below:

Description of outstanding job on database	Risk Category	Date of job notification	Reason for job being outstanding
Western Outermost illuminated Buoy lamp on Top completely missing	Medium	17/6/2016	Awaiting decision from Civil Aviation Authority as to whether Buoy system can be removed
Eastern Buoy string appears entangled, 2nd marker is almost entirely submerged	Medium	24/6/2016	Awaiting decision from Civil Aviation Authority as to whether Buoy system can be removed
Sunken Apron light on north side of apron not illuminating	Medium	30/4/2017	This defect has been fixed- Record to be updated
Rubber Expansion strip lifting from the appliance Hangar Door	Low	3/7/2012	Station Manager to investigate repair

Description of outstanding job on database	Risk Category	Date of job notification	Reason for job being outstanding
Slight depression in tar appearing in centre of southern access track opposite opening to Fire training ground	Low	4/3/2016	Will be monitored until sufficient funding available for non-essential repairs

6. CONCLUSION

This audit has provided a Substantial level of assurance as Internal Control, Governance and management of risk is sound, however, there are minor areas of weakness which put some system objectives at risk and where specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale. There were a number of findings identified as part of the audit and these, together with agreed management actions, are set out in the attached action plan. There were 2 actions which will be reported to the Audit Committee. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

Thanks are due to the Oban Airport staff and management for their co-operation and assistance during the Audit and the preparation of the report and action plan.

APPENDIX 1 ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
1. Overdue Defects		High/ Medium or Low		
There were a number of overdue defects	Failure to correct overdue defects may lead to an adverse effect on operations.	Medium	Station Manager awaiting response to an enquiry sent to the Civil Aviation Authority on 3/5/17 in a bid to remove the Buoy system from use. Other defects will be looked into however none of the others are operationally critical.	Station Manager 30 June 2017
2. Recording of Aircraft Movements				
Not all the detail in respect of aircraft movements are recorded in the flight log.	Failure to complete records results in non-compliance with aerodrome manual requirements.	Medium	Following review the aerodrome manual Part 4 AOI 18-1 has been updated to reflect more accurately the current process and addresses finding.	Station Manager Complete: 17 May 2017 Implemented into updated aerodrome manual.



Contact Details

Name David Sullivan

Address Whitegates, Lochgilphead, Argyll, PA31 8RT

Telephone 01546 604125

Email David.sullivan@argyll-bute.gov.uk

www.argyll-bute.gov.uk

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