

Argyll and Bute Council
Internal Audit Report
July 2019
FINAL

Oban Airport

Audit Opinion: High

	High	Medium	Low
Number of Findings	0	0	2

Contents

1. Executive Summary	3
Introduction	3
Background	3
Scope	3
Risks	4
Audit Opinion	4
2. Objectives and Summary Assessment	4
3. Detailed Findings	5
Appendix 1 – Action Plan	9
Appendix 2 – Audit Opinion	11

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1. Executive Summary

Introduction

1. As part of the 2019/20 internal audit plan, approved by the Audit & Scrutiny Committee in March 2019, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Oban Airport (the airport).
2. The audit was conducted in accordance with the Public Sector Internal Audit Standards (PSIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during the course of our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. The airport is one of three aerodromes operated by the Council, and licensed under Article 211 of the ANO 2009 by the Civil Aviation Authority (CAA). Deemed as a Public Service Obligation (PSO), scheduled services, and scholar flights for island school children, operate from the airport to Coll, Colonsay, Islay and Tiree. Additionally, the airport deals with chartered traffic and military flights as well as general aviation traffic such as medevacs, coastguard operations, training flights and scenic tours by private operators.
5. Prior to the grant of a licence and for continued licensing, the CAA requires the Aerodrome Operator to meet the minimum standards detailed in CAP168 Licensing of Aerodromes. CAP 168 sets out the standards required at UK national licensed aerodromes relating to management systems, operational procedures, physical characteristics, assessment and treatment of obstacles, visual aids, rescue and fire-fighting services and medical services.
6. The Oban Airport Aerodrome Manual (the Manual) provides information about the airport, its systems for managing safety and the required operational procedures. The Airport Rescue & Fire Fighting Service (RFFS) Manual provides guidance on the agreed policy and procedures designed to achieve an effective and efficient RFFS. Both Manuals are derived from CAP168.
7. The airport operate the 'Rekite Equipment Management system' which is used in all United Kingdom airports to help ensure they meet the requirements of the CAA in regard to RFFS personnel and equipment.

Scope

8. We provide assurance over compliance with the 21 airport operating instructions (AOIs) established by the Manual and the further procedures established by the RFFS Manual. Our approach is to provide this assurance over a five year cyclical basis.

9. In 2019/20 the scope of the audit was to assess compliance with the following AOIs, as outlined in the terms of reference agreed with the Head of Service for Economic Development and Strategic Transportation on 17 May 2019.

- AOI 8 - Visual Aids
- AOI 9 - Snow Plan
- AOI 10 - The Wildlife Hazard Control Plan
- AOI 11 - Managing Airside Development and Works
- AOI 12 - Reduced Runway Length Operations

Risks

10. The risks to be considered throughout the audit are:

- **Audit Risk 1:** Failure to comply with operating instructions could result in increased risk of accidents and/or the airport losing its CAA licence

Audit Opinion

11. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.

12. Our overall audit opinion for this audit is that we can take a high level of assurance. This means that internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.

Recommendations

13. We have highlighted two low priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:

- the Manual should be updated reflect correct terminology and current working practices
- planning meetings to discuss airside developments should be minuted.

14. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

15. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

	Control Objective	Assessment	Summary Conclusion
CO1	The Manual, setting out the operational procedures of the airport, is up to date,	High	The Manual is updated at least annually and is available to officers on the Hub with a hard

	appropriate and accessible to all relevant staff.		copy held onsite in the airport. The CAA have assessed it as being compliant with CAP 168.
CO2	AOI8 – Visual aids are appropriately installed, operated, monitored and maintained.	Substantial	Visual aids have been installed appropriately and are routinely inspected in compliance with the Manual. Staff are appropriately trained and maintenance work is subject to CAA inspections. The Manual should be updated to enhance the procedure for managing defects to include timescales for checking / signing off a repair.
CO3	AOI9 – There are appropriate measures to minimise risk in the event of snow or ice impacting the airport.	High	There are appropriate measures in place to minimise the risk in event of snow or ice impacting the airport. The extent of these measures reflects the size of the airport. The Snow State Message to Airmen or Notice to Airmen (SNOWTAM/NOTAM) process is used to advise of the condition of the airport and any temporary restrictions/closures.
CO4	AOI10 – Effective measures are in place to minimise the impact of wildlife on the airport	High	The measures in place to minimise the impact of wildlife on the airport are robust and carried out well by all staff. The Manual should be updated to reflect that measures relate to all relevant wildlife and not just birds and that the bird control log is now recorded on Navigator.
CO5	AOI11 – Airside developments and works are conducted in accordance with CAA regulations.	Substantial	Airside developments are not a common occurrence however there is a live application at the current time for a hanger extension and relocation of a container. The CAA have been consulted and given permission for the works to go ahead. Planning meetings to discuss developments are not being minuted.
CO6	AOI12 – Measures are in place to consider operational reasons for a re-declaration of the runway length.	N/A	A re-declaration of runway length would only happen in very exceptional circumstances. The Manual sets out the procedure which should be adopted in the event of one being required however, as there has been no need to apply these procedures, we were unable to test compliance with them.

16. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

The Manual, setting out the operational procedures of the airport, is up to date, appropriate and accessible to all relevant staff

17. The Manual is available to all relevant personnel on the Council hub with a hard copy held onsite in the airport. Each section within the Manual sets out:

- the Council's policy and established procedures to ensure compliance with relevant rules and/or regulations
- appropriate monitoring arrangements (where applicable)
- roles and responsibilities of relevant personnel.

18. The Manual is subject to annual review by the Station Manager. This was last performed in November 2018. We confirmed that the current version of the Manual (version 7.8) complied with CAP 168. We also confirmed that the CAA reviewed version 7.8 of the Manual in December 2018 and only identified minor anomalies (i.e. version control dates) in the 'Oversight Report' which they issued. These have been resolved. This provides evidence that the Manual is a 'live document' which can be amended during the year rather than just after an annual review.

Visual aids are appropriately installed, operated, monitored and maintained

19. AO18 in the Manual relates to visual aids and describes the characteristics of the visual aids and the operation and maintenance regime. The Manual states that all Aerodrome Ground Lighting (AGL) maintenance, other than filament changes, on airfield lighting is the responsibility of a contractor (currently Tait Electronics (Shetland) Ltd). The maintenance arrangements between the airport and the approved contractor are documented in the 'Maintenance Exposition'. When carrying out their inspections the CAA meet with the approved contractor to discuss maintenance. This is evidenced in the CAA Oversight Report and we have placed reliance on the CAA's work and conclusions.
20. A review of the training materials and staff training records confirmed that officers have completed the training relating to the operation of visual aids and the required inspections. During the audit visit, officers were able to describe what the training involved and how it relates to the tasks they carry out.
21. The Manual describes the type and frequency of inspections that require to be undertaken and confirms that lighting inspections can be combined with the movement inspections. The Navigator system is the electronic system used to record these inspections. A sample taken from Navigator confirmed that inspections are being carried as prescribed by the Manual.
22. In order to establish whether any maintenance issues and faults are following the procedures set out in the Manual the inspection records and the defects outstanding log book were examined. This highlighted a defect raised on 17 May 2019 as a medium priority with an expected completion date of one month. The repair was completed by the approved engineer/contractor on 29 May 2019. At the time of the audit visit on 13 June 2019, the counter signature box confirming the repair had been checked was still to be completed. Through discussion we confirmed the repair would be checked before being closed off. Although staff are aware of the process, the end to end procedure, including timescales it is not fully documented in the manual.

Action Plan 1

There are appropriate measures to minimise risk in the event of snow or ice impacting the airport

23. Due to the small number of staff there is no snow plan and equipment to clear snow is limited to hard brushes. The safety of aerodrome operations is the responsibility of the senior member of staff on duty. In the event of poor weather conditions the Duty Crew Commander will consult with the pilot of an incoming plane to determine if a safe landing is possible. If it is determined to be unsafe the Duty Crew Commander will close the airport. On occasion conditions may just

restrict operations to fixed wing aircraft only. Officers use the NOTAM process to advise Aeronautical Information Service (AIS) of the condition of the airport and any temporary restrictions or closures.

24. There are hazard signs on the exterior of the airport which illuminate when the temperature drops to two degrees. This warns travellers and airport visitors of potential hazards.

Effective measures are in place to minimise the impact of wildlife on the airport

25. The Manual requires the airport to have effect measures in place to minimise the impact of wildlife on the airport, this takes the form of a Bird Control Management Plan (BCMP) that includes aerodrome habit management, active controls procedures and safeguarding. CAP772 is the CAA document that provides guidance material for wildlife hazard management at aerodromes.
26. The airport has a BCMP which complies with the requirements set out in CAP772 and is subject to annual review and update. It is well developed and incorporates an annual risk assessment which includes a review of current year statistical data against previous year's data. The BCMP has been extended to consider all wildlife that impacts the airport with relevant processes, plans, training materials and testing systems updated to reflect this more comprehensive plan.
27. CAP772 uses the term Wildlife Hazard Management Plan. Page two of the Manual uses this term however AOI 10 in the Manual uses the term Bird Hazard Management Plan.

Action Plan 1

28. Training on bird hazard management is carried out on Navigator with the training record and assessments recorded on a system called Redkite. A review of Redkite and Navigator confirmed that appropriate training is in place with appropriate training records maintained.
29. The Manual requires that the airport have a Bird Control Log Book which is signed by the 'Bird Controller' at the start and completion of each watch. Due to the small number of officers present each day there is no named 'Bird Controller' and no specific bird log book. Instead all officers are responsible for this. The system is now more system based in that inspections are recorded on Navigator rather than there being a hard copy log book. The Manual should be updated to reflect current working practices.

Action Plan 1

30. The Manual sets out the equipment that the airport should have available to support the bird hazard management. We confirmed all this equipment was available in the airport and, where possible, the Station Manager demonstrated them in use providing assurance they are in good working order.

Airside developments and works are conducted in accordance with CAA regulations

31. Airside developments/works are not a common occurrence and there were none completed in the past 12 months. There is one live application for a hanger extension and relocation of a container which was submitted to the CAA in May 2017. This development is not fully signed off yet but potentially will be after the CAA inspection in July 2019. A review of the available paperwork confirmed that the CAA have been consulted and have given permission for the works to go ahead.

32. Examples of the airport safety meeting minutes were reviewed which confirm the development was an agenda item however planning meetings to discuss the development were informal with no minutes taken. Therefore there is no record of what was discussed or who was present. Although the Manual does not specifically require planning meetings to be minuted it is clear that *'Regardless of the simplicity or complexity of the works, only formal detailed planning and arrangements will minimise any associated risks to safety'*. Having minutes of planning meetings would help ensure the planning process is formal and detailed.

Action Plan 2

Measures are in place to consider operational to consider operational reasons for a re-declaration of the runway length

33. A re-declaration of runway length would only happen in very exceptional circumstances such as an obstacle on the periphery of the runway being deemed as fairly permanent or damage to the end of the runway.
34. Should such an incident occur the Manual sets out the procedure which should be adopted. However as there has been no need to apply these procedures we were unable to test compliance with them.

Appendix 1 – Action Plan

	No.	Finding	Risk	Agreed Action	Responsibility / Due Date
Low	1	<p>Oban Airport Aerodrome Manual Update</p> <p>The airport manual is subject to an annual review and update but can also be updated on an ongoing basis as it is considered a 'live' document. The next annual update should incorporate the following changes:</p> <ul style="list-style-type: none"> • AOI8 - enhance procedure for managing defects to include timescales for checking / signing off a repair • AOI10 - refer to Wildlife Hazard Management Plan rather than Bird Hazard Management Plan with references to 'bird control' updated to 'wildlife control • AOI10 - update to reflect that the bird log is now maintained on Navigator and there is no specific 'Bird Controller' 	Guidance documentation may not reflect current operational procedure resulting in inconsistent work practices.	The following changes will be made to the documents: AOI 8 will have a more streamlined procedure for defect reporting to avoid confusion. AOI 10 will all be changed in the documents to reflect Wildlife, not just birds AOI 10 – removal of reference to Bird Controller	Station Manager 31 October 2019
Low	2	<p>Planning Meeting Minutes</p> <p>Planning meetings to discuss airside developments/works are not formally minuted. Although the Manual does not specifically require planning meetings to be minuted it is clear that <i>'Regardless of the simplicity or complexity of the works, only formal detailed planning and arrangements will minimise any associated risks to safety'</i>.</p>	The service may not be able to evidence key decisions in the planning process.	The reference to providing minutes of these meetings will be added to support any future development process.	Station Manager 31 October 2019

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

Grading	Definition
High	A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error.
Medium	Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken.
Low	Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives.

Appendix 2 – Audit Opinion

Level of Assurance	Definition
High	Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently.
Substantial	Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and 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 the management of risk are broadly reliable. However, whilst not displaying a general trend, there are a number of areas of concern which have been identified where elements of residual risk or weakness 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 placing 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 the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues.