

Argyll and Bute Council
Internal Audit Report
November 2020
Final

Oban Airport

Audit Opinion: High

| | High | Medium | Low | VFM |
|--------------------|------|--------|-----|-----|
| Number of Findings | 0 | 0 | 0 | 0 |

Contents

| | |
|---|----------|
| 1. Executive Summary | 3 |
| Introduction..... | 3 |
| Background..... | 3 |
| Scope | 4 |
| Risks..... | 4 |
| Audit Opinion | 4 |
| 2. Objectives and Summary Assessment | 4 |
| 3. Detailed Findings..... | 5 |
| Appendix 1 – Audit Opinion..... | 8 |

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1. Executive Summary

Introduction

1. As part of the revised 2020/21 internal audit plan, approved by the Audit & Scrutiny Committee in September 2020, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Oban 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. Oban 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 Oban 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. Oban Airport operate the 'Redkite 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.
8. The overall remit of internal audit is to 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, agreed in 2018/19, is to provide this assurance over a five year cyclical basis.

Scope

9. The scope of the audit was to provide assurance over compliance with five of the airport operating instructions (AOIs) established by the Manual and the further procedures established by the RFFS manual as outlined in the Terms of Reference agreed with the Oban Airport Station Manager on September 21. The operating instructions audited in 2020/21 were:
- AOI 13 – Fuel Management
 - AOI 14 – Aeronautical Information
 - AOI 15 – Survey Data & Treatment of Obstacles
 - AOI 16 – Aerodrome Safeguarding
 - AOI 17 – Recovery of Disabled Aircraft

Risks

10. The risks considered throughout the audit were:
- 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 1 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. We have not identified any material areas of weakness that require corrective action. Therefore there is no action plan attached to this report.

2. Objectives and Summary Assessment

13. 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 | Link to Risk | Assessment | Summary Conclusion |
|-----|---|--------------|-------------|---|
| CO1 | The Manual, setting out the operational procedures of the airport, is up to date, appropriate and accessible to all relevant staff. | Audit Risk 1 | High | The Manual is updated annually and is available to appropriate officers. |
| CO2 | AOI13 – The airport complies with refuelling, de-fuelling and fuel storage procedures. | Audit Risk 1 | Substantial | Fuelling operations for scheduled flights operated by Hebridean Air Services are carried out by the Council using |

| | | | | |
|-----|---|--------------|------|---|
| | | | | onsite facilities. There has been no provision of refuelling for private flights since December 2019 however the Council are constructing in-house facilities to enable private aircraft to refuel at the airport and this is expected to be fully operational by early 2021. |
| CO3 | AOI14 – There are appropriate measures to ensure aeronautical data is up to date and accurate. | Audit Risk 1 | High | All amendments to aeronautical data is notified to pilots and other relevant personnel timeously and unplanned changes of services, infrastructure and/or facilities at the airport are properly communicated. |
| CO4 | AOI15 – There are effective measures to ensure airport airspace is free from obstacles so aeroplane operations can be conducted safely. | Audit Risk 1 | High | An aerodrome survey which contains runway data was completed in October 2019 by an approved contractor and forwarded to the CAA. |
| CO5 | AOI16 – All reasonable steps are taken to keep the airport and its airspace safe at all times for use by aircraft. | Audit Risk 1 | High | There is a safeguarding map which details the specific area which fall under the safeguarding requirements and external contractors are issued with guidance when working within the safeguarding area. |
| CO6 | AOI17 – Measures are in place to remove disabled aircraft without disrupting the safety of the airport. | Audit Risk 1 | High | It is the responsibility of aircraft owners to remove disabled aircraft to a safe area. The Council has facilities if the owner requires assistance. |

14. 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.

15. The Manual is available to all relevant personnel on the Council HUB with a hard copy held onsite at 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.

16. The Manual is reviewed annually by the Station Manager with the updated version submitted to the CAA who have 28 days to highlight any queries on the Manual's content. If no response is received in 28 days then the revised Manual is adopted. This annual review is normally conducted in October or November.
17. In June 2020, in response to COVID, a guidance manual entitled 'Oban & the Isles Airports – COVID secure procedures' was issued by the Station Manager. It is available on the Council HUB and paper copies are kept in the office.

The airport complies with refuelling, de-fuelling and fuel storage procedures.

18. The Council has a fuel system management procedure manual. It was last updated in November 2019 and is comprehensive providing guidance on:
 - responsibilities
 - fuel ordering
 - fuel storage
 - fuel operations
 - record management
 - risk assessments.
19. Fuelling operations for aircraft arriving at Oban airport is split between scheduled flights operated by Hebridean Air Services and private flights. Scheduled flights are refuelled by the Council from the bowser facilities based at the airport and this provision is ongoing.
20. Previously fuelling operations for private flights were carried out by a private contractor however the contractor retired in December 2019 meaning private flights are not currently refuelled. The Council is constructing in-house facilities to enable private aircraft to refuel at the airport and this is expected to be fully operational by early 2021. All private aircraft are notified by a 'notice to airmen' (NOTAM) that there are no refuelling facilities at the airport.
21. Due to fuelling operations being substantially curtailed we were unable to observe fuelling operations taking place during the audit. However we through observation and inspection of appropriate records we can provide assurance that that the airport is compliant with the following requirements of the Manual:
 - risk assessments are carried out
 - protective equipment is in place
 - safety signage is prominent
 - fuel records are in place
 - training records are up to date.
22. The fuelling contractor has been subject to an annual external audit on refuelling standards. A copy of this should be forwarded to the station manager by the contractor and this is outstanding.

There are appropriate measures to ensure aeronautical data is up to date and accurate

23. The Manual requires the station manager and/or duty officer to ensure that all operators and pilots are in possession of current and accurate aeronautical information. We confirmed that all amendments to aeronautical data are notified to pilots and other relevant personnel on the

National Air Traffic Service (NATS) website and a hard copy of aeronautical updates are displayed in the crew room.

24. The Manual also requires the station manager to issue a NOTAM concerning unplanned changes of services, infrastructure and/or facilities at the airport. An incident occurred during the audit and we confirmed the NOTAM was issued and published on the NATS website.

There are effective measures to ensure airport airspace is free from obstacles so aeroplane operations can be conducted safely.

25. The Manual requires that the airspace around the aerodrome be maintained free of obstacles in order to permit intended aeroplane operations to be conducted safely. Where an obstruction occurs an Obstacle Limitation Surface (OLS) should be prepared and details forwarded to the CAA.
26. The Manual requires an annual aerodrome survey which contains runway data relating to distances and elevations to be completed by a CAA approved contractor. We confirmed this was carried out by an approved contractor in October 2020 and the outcomes from the survey were notified to the CAA by the contractor.

All reasonable steps are taken to keep the airport and its airspace safe at all times for use by aircraft.

27. The CAA requires that the airport and its airspace are safe at all times for use by aircraft. This is detailed in CAP 738 "Safeguarding of Aerodromes". The station manager is responsible for aerodrome safeguarding.
28. Oban airport have a safeguarding map which has been lodged with planning services which details the specific area which falls within the safeguarding requirements. All planning applications within this area should meet the CAP 738 requirements and must be notified to relevant airport personnel. No planning applications have been received in the last 12 months.
29. External contractors have been issued with guidance when working within the safeguarding area to ensure that the requirements of CAP 738 are met.

Measures are in place to remove disabled aircraft without disrupting the safety of the airport.

30. In the event of an aircraft becoming disabled it is the responsibility of the aircraft owner to remove the aircraft to a safe distance. To facilitate this the airport has a "tug" or if this not suitable they can advise the owner of a suitable contractor. If the aircraft is disabled in a hazardous area the airport will ensure that the aircraft is removed as soon as possible. If the runway required to be closed then a NOTAM will be issued.

Appendix 1 – 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 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. |