

Argyll and Bute Council  
Internal Audit Report  
November 2022  
Final

# Oban Airport

Audit Opinion: High

	High	Medium	Low	VFM
Number of Findings	0	0	0	0

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# 1. Executive Summary

## Introduction

1. As part of the 2022/23 internal audit plan, approved by the Audit & Scrutiny Committee in March 2021, 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 UK 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 22 airport operating instructions (AOIs) established by the Manual and the further procedures established by the RFFS manual. Our approach, as 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 28 September 2021. The operating instructions audited in 2022/23 were:
- AOI 1 – Airside Access Compliance
  - AOI 2 – Airside Safety Compliance
  - AOI 3 – Airside Driving Compliance
  - AOI 4 – Airside Vehicle & Equipment Compliance
  - AOI 5 – Airside Stands & Parking Arrangement Compliance

## 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 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.

## 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. The document was found to be comprehensive with each section outlining the Council

				policy for compliance with regulations and procedures.
CO2	AOI1 – Access to the aircraft movement area is restricted to appropriate and competent personnel.	Audit Risk 1	High	Access to the aircraft movement area was found to be restricted to appropriate personnel. Training is carried out on an ongoing basis.
CO3	AOI2 - Appropriate action is being taken to minimise airside hazards.	Audit Risk 1	High	The aerodrome operating manual sets out a comprehensive list of potential hazards that can occur in regard to both airport and apron activity. Training on minimising airside hazards is carried out on an ongoing basis.
CO4	AOI3 - Airside drivers are appropriately trained and comply with the driving procedures established by the Manual.	Audit Risk 1	High	All traffic incidents and all accidents are recorded within the appropriate database. Training on airside driving is carried out on an ongoing basis.
CO5	AOI4 - Airside vehicles and equipment are properly maintained, used only by appropriate personnel and appropriately insured.	Audit Risk 1	High	All airside vehicles are insured under the Councils overarching vehicle insurance policy. A review of the maintenance records confirmed that all vehicles are being maintained per the agreed schedule and meet VOSA standards where applicable. Training on airside equipment is carried out on an ongoing basis.
CO6	AOI5 - Procedures for parking and manoeuvring aircraft are consistent with the requirements of the Manual.	Audit Risk 1	High	A review of procedures for parking and manoeuvring found them to be comprehensive and consistent with the requirements of the manual. Equipment available on site for parking and manoeuvring of aircraft was found to be appropriate. Training covers all aspects of airside stands and parking.

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, last updated October 2022. The updated version is 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.

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 the Rules of the Air Regulations regarding airside access.

18. The Manual states that all personnel must have received appropriate training (and records kept) be over the age of 16 and are in possession of a current airside driver pass. All airside personnel undergo an initial induction training course which includes an overview of all elements stated in the Manual. Thereafter the Airport has a 12 monthly rolling training programme.

The airport complies with the operating instructions to monitor airside safety.

19. The Manual states that all traffic incidents or accidents must be reported accordingly. It also states that training must be in place and personnel are complying with the procedures in order to minimise airside hazards.

The Airport complies with the operating instructions regarding airside driving.

20. The Manual states that all traffic incidents or accidents must be reported and recorded. Occurrences are reported to either CAA or AIB depending on the nature of the incident. All personnel must also be trained in all aspects of airside driving to ensure competency.

The airport complies with the operating instructions regarding permitted vehicles airside.

21. The Manual states that training must be in place for all personnel in relation to the operation of airside vehicles and equipment. All vehicles used airside must be insured and a maintenance/inspection programme is followed. Airport vehicles are checked on a daily basis by personnel and details recorded.

The airport complies with the procedures for parking and manoeuvring aircraft.

22. The Manual states that a training programme must be in place. Airport policy for the majority of aircraft is to self-park, in the event of any congestion marshals will be provided. Personnel must be issued with the appropriate clothing and equipment, ie, orange bats and illuminated wands (in the event of reduced lighting). Fuel spillages and emergencies will be reported accordingly.

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.
VFM	An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the council to achieve better value for money (VFM).



## Appendix 2 – Audit Opinion

Level of Assurance	Definition
<b>High</b>	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.
<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>No Assurance</b>	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.