

# ARGYLL & BUTE COUNCIL

## Internal Audit Section

### INTERNAL AUDIT REPORT

CUSTOMER DEPARTMENT	DEVELOPMENT AND INFRASTRUCTURE SERVICES
AUDIT DESCRIPTION	VERIFICATION AUDIT
AUDIT TITLE	OBAN AIRPORT
AUDIT DATE	NOVEMBER 2014

2014/2015



## **1. BACKGROUND**

This report has been prepared as a result of the Internal Audit review of Operational Procedures at Oban Airport as part of the 2014/15 Internal Audit programme.

Oban Airport Aerodrome Operating manual has been produced to satisfy the requirements of the UK Civil Aviation Authority, Health and Safety legislation and the Air Navigation Order. The Aerodrome Operating 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. In addition 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 2014/15 net operating budget for the airport is £515k

## **2. AUDIT SCOPE AND OBJECTIVES**

The audit will assess compliance with Aerodrome Operating Instructions.

- Review previous audits to ensure that corrective actions have been completed.
- Assess Compliance with record keeping requirements as prescribed in the Aerodrome Operating instructions.
- Evidence availability and completeness of inspections and reporting logs in respect of the undernoted:

- Condition of Runway
- Lighting Inspections
- Bird Control
- Aircraft Movements
- Incidents and Accidents

### 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
<b>High</b>	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.
<b>Substantial</b>	Internal Control, Governance and the Management of Risk have displayed a mixture of little residual risk, but other elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale.
<b>Limited</b>	Internal Control, Governance and the Management of Risk are displaying a general trend of unacceptable residual risk and weaknesses must be addressed within a reasonable timescale, with management allocating appropriate resource to the issues.
<b>Very Limited</b>	Internal Control, Governance and the Management of Risk are displaying key weaknesses and extensive residual risk above an acceptable level which must be addressed urgently, with management allocating appropriate resource 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:-

**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;

**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;

**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.

## 5. FINDINGS

The following findings were generated by the audit:

- In reviewing previous audits to assess whether corrective actions have been completed it was noted that there are 5 corrective actions of a low risk factor still outstanding from the June 2014 audit. The station manager has given a completion date of October 31<sup>st</sup> 2014 to complete these actions. (Post Completion note: All actions are now completed)
- It was found that the records were fully compliant with the requirements as set out in the aerodrome operating manual.
- A review of the records of Airport inspections showed that the recording of Airport inspections is as prescribed in the Aerodrome Operating manual.
- It was evidenced that runway inspections are available and complete as prescribed in the aerodrome operating manual 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, however it was noted that no evidence could be found on the system of outstanding defects. Subsequent investigation found that these are recorded in the defects folder kept at the reception desk.
- It was evidenced that bird control records are available and complete on the system as per requirement outlined in the aerodrome operating manual.
- It was evidenced that records regarding aircraft movements are available and complete as per requirement outlined in the aerodrome operating manual.
- The aerodrome procedure prescribes that a Mandatory Occurrence Report must be completed for all accidents, incidents or safety related events and forwarded to the CAA. A sample of 5 reports was reviewed between January 2013 and June 2014. The reports outlined the nature of the incidents as prescribed in the manual. No corrective action was recommended by the Civil Aviation Authority as a result of these incidents.

## **6. CONCLUSION**

This audit has provided a Substantial level of assurance. There are a number of recommendations for improvement identified as part of the audit and these are set out in Appendix 1. There is one medium recommendation as a result of the audit. There is also 1 low recommendation which is not reported to the Audit Committee. Appendices 1 sets out the action management have agreed to take as a result of the recommendations, the persons responsible for the action and the target date for completion of the action. Progress with implementation of actions will be monitored by Internal Audit and reported to management and the Audit Committee.

APPENDIX 1

ACTION PLAN

Findings	Risk Impact	Rating	Agreed Action	Responsible person agreed implementation date
<b>1. Audit Actions</b>		<b>High/ Medium or Low</b>		
In reviewing previous audits to assess that corrective actions have been completed it was noted that there are 5 corrective actions still outstanding.	Failure to address previously identified weaknesses	Medium	The remaining audit actions will be closed on an individual basis.	Senior Airport Fire Officer  31 December 2014

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