

Assurance Levels 2016/2017

Assurance levels for all audits follow a standard methodology to ensure reliability and validity of Internal Audit opinion. The table below sets out the rationale for the opinion and suggested management action timescales.

Assurance Level	IA Opinion - Controls
High	Compliance with policies and procedures is good and adhered to, in the areas reviewed. Internal controls, in place, operate effectively. Risks against the achievement of the client's objectives are well managed.
Good	There is a sound system of compliance and internal control, designed to achieve the client's objectives, in the areas reviewed. The control processes tested are being consistently applied. Although risks are well managed and there is no fundamental threat, internal controls still need to be monitored.
Satisfactory	Some evidence of non-compliance identified and / or weaknesses in the system of internal control, in the areas reviewed. The level of non-compliance could present a risk to the achievement of the client's objectives. Introduction or improvement of internal controls is required.
Limited	Sufficient evidence of non-compliance and / or weaknesses in the system of internal control, in the areas reviewed. Essential action needed by management to reduce the level of risk to the achievement of the client's objectives.
No	No assurance can be given over compliance and / or internal controls. Immediate action needed by management to address the risk issues, in the areas reviewed.
Not Applicable	Assurance level is not applicable due to the nature of the work undertaken.

Priority Ratings 2016/2017

Priority Ratings are attached to each recommendation made in an audit review. The table below sets out the rationale for the priority ratings and the suggested timescale for the implementation or action for the agreed recommendation

Priority Rating	Description
Critical	<p>A significant and serious control weakness in the system of internal control.</p> <p>This will also include, for example: No evidence of policies and procedures, non-compliance with legislation or authority policies or non-compliance with authority financial and procurement rules.</p> <p>Immediate action is essential.</p>
High	<p>A weakness which could undermine the system of internal control and compromise its operation.</p> <p>Action is required as soon as possible.</p>
Medium	<p>An improvement to the system of internal control in order to comply with best practice, or which offers efficiency savings.</p> <p>Action date to be agreed.</p>
Low	<p>Recommendations requiring action by management to improve control, although the achievement of objectives is not fundamentally threatened.</p>
Observation	<p>Observations presented for management consideration only, as they represent a suggested improvement in management of the risks.</p>

(END)