

APPENDIX 4

AUDIT OPINION RATINGS / LEVELS OF ASSURANCE Basis of Audit Opinion Ratings – operated until 31/03/12

Opinion Rating	Risks Identified	Report Recommendations
Good	Minimal	Minor
Satisfactory	Some	Some changes in procedures etc needed
Adequate	Many	Some significant changes needed
Unsatisfactory	Major	Fundamental changes needed

Basis of Audit Level of Assurance – operated from 01/04/12

Assurance Level	Basis	Description
High Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High or Medium Risk. Any recommendations are mainly Good Practice with few Low Risk recommendations.	There is a sound system of internal control designed to achieve the system objectives and the controls are being consistently applied.
Substantial Assurance	Recommendations for ineffective controls affecting the material areas of the service are not High Risk. Occasional Medium Risk recommendations allowed provided all others are Low Risk or Good Practice	There is generally a sound system of internal control but there is some scope for improvement as the ineffective controls may put the system objectives at risk
Moderate Assurance	Recommendations for ineffective controls affecting the material areas of the service are at least Medium Risk	The ineffective controls represent a significant risk to the achievement of system objectives
Limited Assurance	Recommendations for ineffective controls affecting the material areas of the service are High Risk	The ineffective controls represent unacceptable risk to the achievement of the system objectives