

### Appendix Three: Basis of Audit Assessment

Level of Assurance	Description		
<i>The level of assurance is an auditor judgement applied using the following criteria</i>			
Substantial	Sound system of governance, risk management and control. Issues noted do not put the overall strategy / service / system / process objectives at risk. Recommendations will be moderate or minor.		
Reasonable	Areas for improvement in the system of governance and control, which may put the strategy / service / system / process objectives at risk. Recommendations will be moderate or a small number of significant priority.		
Limited	Significant areas for improvement in important aspects of the systems of governance and control, which put the strategy / service / system / process objectives at risk. Recommendations will be significant and relate to key risks.		
No	An absence of effective governance and control is leaving the strategy / service / system / process open to major risk, abuse or error. Critical priority or a number of significant priority actions.		
Priority	Assessment Rationale		
<i>The priority assigned to recommendations is an auditor judgment applied using an assessment of potential risk in terms of impact and likelihood.</i>			
Critical	Significant	Moderate	Minor
Actions < 3 months	Actions < 6 months	Actions < 12 months	Management discretion
<ul style="list-style-type: none"> <li>• Impact on corporate governance</li> <li>• Life threatening / multiple serious injuries or prolonged work place stress</li> <li>• Severe impact on service delivery</li> <li>• National political or media scrutiny</li> <li>• Possible criminal or civil action</li> <li>• Failure of major projects</li> <li>• SMT required to intervene.</li> <li>• Statutory intervention triggered.</li> <li>• Large (25%) impact on costs/income</li> <li>• Impact on the whole Council.</li> </ul>		<ul style="list-style-type: none"> <li>• Some impact on service governance</li> <li>• Some risk of minor injuries or workplace stress</li> <li>• Impact on service efficiency</li> <li>• Internal or localised external scrutiny</li> <li>• Procedural non compliance</li> <li>• Impact on service projects</li> <li>• Handled within Service</li> <li>• No external regulator implications</li> <li>• Cost impact managed at Service level</li> <li>• Impact on Service or Team</li> </ul>	
Impact			
<i>Impact is the auditor assessment of criticality of the strategy / service / system / process being audited to the achievement of the Council's priorities and discharge of functions and duties in the following areas. This is described in the Audit Terms of Reference</i>			
Strategic Objectives		Key Partnerships	
Safety and Welfare		Finance and Resources	
Corporate Risk		Key Service Fulfilment	
Organisational Change		Statutory Duty	