

Powys Internal Audit




Audit Report - Overall Assurance Ratings

The table below is a defined set of assurance ratings that demonstrate a clear link between the number and priority of the agreed actions and the overall opinion issued.

Opinion	Basis	Definition
SUBSTANTIAL ASSURANCE	No or a few low priority actions.	Internal controls are in place and operating effectively. Any weaknesses identified relate only to issues of good practice which could improve the efficiency and effectiveness of the system or process. Risks against the achievement of objectives are well managed.
REASONABLE ASSURANCE	One or more medium priority recommendations.	Generally risks are well managed, but some systems require the introduction or improvement of internal controls to ensure effective service delivery. However, if not addressed the weaknesses could increase the likelihood of strategic / service risks occurring.
LIMITED ASSURANCE	One or more high priority recommendations, or a high number of medium priority recommendations that taken cumulatively suggest a weak control environment.	Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure effective service delivery. There are weaknesses identified that have a significant impact preventing the achievement of strategic aims and/or objectives, or result in a significant exposure to reputational or other risk areas.
LOW ASSURANCE	One or more high priority recommendations and fundamental design or operational weaknesses in more than one part of the area under review.	The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives. The weaknesses identified have a fundamental and immediate impact preventing achievement of strategic aims and/or objectives, or result in an unacceptable exposure to reputational or other risks.

Agreed Actions – Priority Ratings

The table below is a defined set of priority ratings that demonstrates the significance of the weaknesses identified and the impact that risk may have if it is not addressed.

Priority	Definition
	<p>High priority - A significant weakness in the system or process which is putting the Council at serious risk of not achieving its strategic aims and objectives. In particular: significant adverse impact on reputation; non-compliance with key statutory requirements; or substantially raising the likelihood that a strategic risks will occur. Recommendations in this category require immediate attention.</p>
	<p>Medium priority - A potentially significant or medium level weakness in the system or process which could put the Council at risk of not achieving its strategic aims and objectives. The issue could potentially have an adverse impact on the Council's reputation or increase the likelihood of strategic risks occurring, if not addressed.</p>
	<p>Low priority - Recommendations which could improve the efficiency and/or effectiveness of the system or process but which are not vital to achieving the Council's strategic aims and objectives. These are generally issues of good practice that we consider would achieve better outcomes.</p>