

## Appendix 1

### Audit report opinions and criteria

Opinion	Rationale or criteria
Effective	<p>All internal high risk controls are in place and are operating effectively</p> <p>No high or medium findings noted</p> <p>Very small number of “merits attention” findings</p> <p>All high level risks are controlled</p> <p>No safeguarding risks identified</p>
Effective with opportunity for improvement	<p>Controls considered adequate but some exceptions exist</p> <p>Small number of medium or low risk / medium or low impact weaknesses noted e.g. minor administrative breaches, which should be relatively straightforward to resolve.</p> <p>Some areas for improvements noted which should be relatively straightforward to implement.</p> <p>All high level risks adequately controlled</p> <p>No immediate risk to assets property, cash, or revenue or risk of breach of Code of Practice, regulations or legislation.</p> <p>No safeguarding risks identified</p>
In need of Improvement	<p>At least one high level risk noted</p> <p>A relatively high number of medium risk weaknesses noted</p> <p>A large number of areas for improvements noted</p> <p>Risk of fraud, theft, loss or misappropriation of assets, cash or data or other regulatory/ legislation or code or practice breach if improvements are not implemented within relative short term. In general these will be reported to Service Managers or Head of Service before finalising report.</p> <p>Potential for illegal or unlawful activity</p> <p>No immediate safeguarding risks</p> <p>System improvements are not immediately required, but there is a need for improvement identified by the findings noted</p> <p>Processes are considered inefficient, ineffective or poor value for money</p> <p>Non-financial risks identified as a result of poor practice e.g. reputational or impact on other stakeholders.</p> <p>Performance or practices identified does not conform to corporate plan or conflict with improvement plans.</p> <p>Some non-compliance with policy and procedures</p>
Inadequate and needs immediate improvements	<p>At least one or more high risk noted together with a number of medium risk findings over a number of separate areas.</p> <p>Safeguarding risk issues noted</p> <p>Actual fraud, theft, losses of assets or cash, overpayments or loss of revenue reported. In general these will be reported to Service Managers or Head of Service before finalising report, and may lead to additional reviews or investigations.</p> <p>Actual illegal or unlawful activity identified</p> <p>Actual breach of regulatory processes, codes of practice or legislation noted</p> <p>Control systems considered not fit for purpose, inadequate/ non-existent and below standard with significant exceptions or unfit for purpose</p> <p>Large scale noncompliance with policies and procedures.</p> <p>Immediate improvements are required to systems and controls</p> <p>High non-financial risks identified or risk of impact on stakeholders</p>