

APPENDIX B

Levels of Assurance for Internal Audit Reports

Assurance Level	Definition
Substantial	<p>There is a robust control framework in place for the system. All necessary controls are in place and are operating effectively. Any recommendations made are generally low risk and relate to enhancements of existing controls.</p>
Adequate	<p>There is an acceptable control framework in place. There may be some control weaknesses but the key controls are in place and operating effectively. However some changes to the controls and how they operate would be beneficial.</p> <p>An adequate opinion can be given where a small number of controls are not always operating effectively provided there are no high risk recommendations.</p>
Qualified	<p>The service may be delivering its intended output but the controls in place for some elements of the system are not always appropriate or effective to ensure that this will continue to occur. Controls are not being consistently applied across all elements of the system. This could include breaches of policy and the risk of medium financial impact.</p> <p>A qualified opinion will only be given if the areas where the controls are missing or not operational do not represent a significant risk to the system as a whole.</p>
No Assurance	<p>There is an inadequate control framework to ensure that the system can deliver its intended objectives. Controls are absent or not operating across the majority of the system. This will include significant breaches of legislation or the potential for significant impact on Metro such as large financial losses. The operation of the system is currently providing an unacceptable risk.</p>