

Appendix 2

Controls Assurance Level	Summary	Full Description
Minimal	Urgent improvements in controls or in the application of controls are required.	<p><u>Systems audit</u></p> <p>The authority and/or service is exposed to a significant risk that could lead to failure to achieve key authority/service objectives, major loss/error, fraud/impropriety or damage to reputation. This is because key controls do not exist with the absence of at least one critical control or there is evidence that there is significant non-compliance with key controls.</p> <p><u>VFM audit</u></p> <p>Objectives are not being achieved economically, effectively and efficiently.</p>
Limited	Improvements in controls or in the application of controls are required.	<p><u>Systems audit</u></p> <p>The area/system is exposed to risks that could lead to failure to achieve the objectives of the area/system under review e.g. error, loss, fraud/impropriety or damage to reputation. This is because, key controls exist but they are not applied, or there is significant evidence that they are not applied consistently and effectively.</p> <p><u>VFM audit</u></p> <p>Objectives are not being achieved through an appropriate balance of economy, efficiency and effectiveness. Improvements could be made in more than one of the three E's.</p>
Substantial	Controls are in place but improvements would be beneficial.	<p><u>Systems audit</u></p> <p>There is some limited exposure to risk of error, loss, fraud, impropriety or damage to reputation, which can be mitigated by achievable measures. Key or compensating controls exist but there may be some inconsistency in application.</p>

		<p><u>VFM audit</u></p> <p>Objectives are largely being achieved efficiently, effectively and economically, but areas for further improvement exist.</p>
High	Strong controls are in place and complied with.	<p><u>Systems audit</u></p> <p>The system/area under review is not exposed to foreseeable risk, as key controls exist and are applied consistently and effectively.</p> <p><u>VFM audit</u></p> <p>Objectives being achieved efficiently, effectively and economically.</p>