

Quantification and Classification of Internal Control Levels

Control Level	Definition
Good	A few minor recommendations (if any).
Satisfactory	Minimal risk; a few areas identified where changes would be beneficial.
Marginal	A number of areas have been identified for improvement.
Unsatisfactory	Unacceptable risks identified, changes should be made.
Unsound	Major risks identified; fundamental improvements are required.

The Audit Opinion is based on a number of factors including the number of Level 1 and, to a lesser extent, Level 2 recommendations. Weighting is given to different aspects of the Audit e.g. a high weighting for budgetary control. It is expected that larger systems and establishments will receive higher numbers of recommendations and allowance is made for this.

Overall Rating for your School (based on total number and level of recommendations identified).

Star rating	Assessment	Definition
△△△△△	High level of control	A few minor recommendations (if any).
△△△△	Majority of control objectives met.	Minimal risk; a few areas identified where changes would be beneficial.
△△△	Some control objectives met.	A number of areas have been identified for improvement.
△△	Below minimum requirements	Unacceptable risks identified, changes should be made.
△	Poor level of control	Major risk identified; fundamental improvements are required.

Ranking of Recommendations

Rank	Definition
1 Critical	As Rank 1 but - IMMEDIATE ACTION IS REQUIRED . These will be shown as Rank 1 (Critical) on the Recommendation Sheet and highlighted under the Opinion in the Main Report.
1	Necessary due to statutory obligation, legal requirement, Authority Policy, or major risk of loss or damage – PROMPT ACTION REQUIRED .
2	Necessary in order for sound internal control and confidence in the system to exist – Major Point, should be pursued in the short term, ideally next 6 months.
Good Practice	Suggestions made that should improve the efficiency or security of the system or establishment. These suggestions will be shown in Appendix 3, not as part of the Recommendation Sheet. They will not be taken into account when giving an Audit Opinion.