

Appendix 2

| Assurance Level | Internal Audit Definition | Risk Register Link |
|------------------------------|---|---------------------------|
| Substantial Assurance | There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed. | Minor / negligible impact |
| Reasonable Assurance | The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed. | Minor / moderate |
| Limited Assurance | Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed. | Moderate / Severe Impact |
| Inadequate Assurance | There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives. | Catastrophic Impact |