

GUIDANCE FOR STAFF ON OPINION CALCULATION – BCBC AUDIT WORK:

Assurance Rating	Strengths	Weaknesses	Score	Comment
Substantial	90% - 100%	0% - 10%	1	All weaknesses identified must be low risk – Merits Attention only.
Substantial	85% - 89%	11% - 15%	1	All weaknesses identified must be low risk – Merits Attention only.
Substantial	80% - 84%	16% - 20%	2	Majority of weaknesses identified must be low risk (Merits Attention). LESS THAN 5% SIGNIFICANT, NO FUNDAMENTAL.
Substantial	75% - 79%	21% - 25%	3	Majority of weaknesses identified must be low risk (Merits Attention) 5% SIGNIFICANT, NO FUNDAMENTAL.
Reasonable	70% - 74%	26% - 30%	4	Less than 10% SIGNIFICANT – NO FUNDAMENTAL
Reasonable	65% - 69%	31% - 35%	5	Less than 15% Significant – NO FUNDAMENTAL
Reasonable	60% - 64%	36% - 40%	6	Less than 20% Significant – NO FUNDAMENTAL.
Limited	55% - 59%	41% - 45%	7	LESS THAN 10% FUNDAMENTAL
Limited	50% - 54%	46% - 50%	8	LESS THAN 15% FUNDAMENTAL
Limited	25% - 50%		9	LESS THAN 20% FUNDAMENTAL
No Assurance			10	IF OVER 20% FUNDAMENTAL THEN MUST BE NO ASSURANCE. IF OVER 75% OF ANY COMBINATION OF RISKS IDENTIFIED MUST BE NO ASSURANCE.

GUIDANCE FOR STAFF ON OPINION CALCULATION – BRIDGEND AUDIT WORK:

RECOMMENDATION WEAKNESS RATING	STRENGTHS	WEAKNESSES	OVERALL SCORE RANGE	COMMENT
FUNDAMENTAL	0% – 59%	100% to 41%	7 - 10	Any fundamental weaknesses identified.
SIGNIFICANT	60% to 74%	26% to 40%	4 - 6	Less than 20% significant weaknesses identified.
MERITS ATTENTION	75% to 100%	0% to 25%	1 - 3	Less than 5% Significant weaknesses identified.

Note: Staff should ensure that all recommendations are graded according to the severity of the failure on the Internal Control Environment. No report should be graded reasonable or above if the Auditor considers the risk to the system to be fundamental. The tables above should give some assistance in determining the right rating for the overall review. This can be overridden but this can only be done with the express approval of the Senior Group Auditor or Chief Internal Auditor. If in doubt; always discuss to ensure the right rating is applied.

The ratings you apply to each review are reported to the Audit Committee. Once a year the Head of Audit produces an annual opinion report on the overall soundness of the Council's Internal Control Environment and this is formulated from the ratings given to each review. I cannot stress enough the importance of ensuring that accurate, relevant and proportionate ratings are applied at all times. This is a very important part of the review process