

Limited and No Assurance Audits

Audit & Governance Committee

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Elements of an Audit Framework and reporting

- **Audit Assurance**
 - No
 - Limited
 - Reasonable
 - Substantial
- **Corporate Risk Assessment**
 - High
 - Medium
 - Low
- **Categorisation of Actions**
 - Priority 1, 2 & 3

Corporate Risk Assessment Definitions	
Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Categorisation of Actions

In addition to the corporate risk assessment it is important that management know how important the required action is to their service. Each action has been given a priority rating at service level with the following definitions:

Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Audit Assurance Opinion



Audit Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Limited and No Assurance Opinions

Fundamental gaps, weaknesses or non-compliance

- Strategies & policies
- Process
- Practice

Inadequate governance, risk management and control

- Culture
- Reporting
- Understanding

Assurance for Audit & Governance Committee

Understand the risk

- Reputational, operational, strategic, compliance, financial
- Immediate action required?
- Action plan that addresses the weaknesses

Oversight and Assurance

- Service ownership & responsibility
- Reporting to Management & Committee
- Expectations on implementation
- Progress and review
- Lines of questioning