## Overall audit rating definitions

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| **Audit Rating** | **Definition** |
| **Unsatisfactory** | **Design** - Design of controls is ineffective in addressing the key risks (i.e. does not address key risks)  **Documentation and communication** - Non-existent documentation and/or communication of controls/policies/procedures  **Operation/implementation** - Controls are not in operation or have not yet been implemented  **Compliance** - Significant breaches of legislative requirements and/or departmental policies and guidelines  **Risk management** - Risks are not being managed  **Efficiency, economy and effectiveness**  - School runs significantly over budget and does not achieve any of the expected outcomes and/or school programs are not run in a cost effective manner and/or school finances are not effectively managed  **Findings/deficiencies** - Most findings were rated as critical and/or high and urgent corrective actions are necessary |
| **Needs improvement** | **Design** - Design of controls only partially addresses the key risks  **Documentation and communication** - Documentation and/or communication of controls/policies/procedures is incomplete, unclear, inconsistent or out-dated  **Operation/implementation** - Controls are not operating consistently and/or effectively or have not been implemented in full  **Compliance** - Breaches of legislative requirements and/or departmental policies and guidelines have occurred  **Risk management** - Risks are not being effectively managed which could result in failure to ensure school objectives are met  **Efficiency, economy and effectiveness**  - School runs over budget and achieves minimal expected outcomes and/or school programs are not run in a cost effective manner and/or school finances are not effectively managed  **Findings/deficiencies** - Some high-rated and/or medium-rated findings were identified |
| **Acceptable** | **Design** - Design of controls is largely adequate and effective in addressing the key risks  **Documentation and communication** - Controls/policies/procedures have been formally documented and are up-to-date but are not proactively communicated to relevant stakeholders  **Operation/implementation** - Controls are largely operating in a satisfactory manner and are providing some level of assurance  **Compliance** - No known breaches of legislative requirements and/or departmental policies and guidelines have occurred  **Risk management** - Risks are largely being effectively managed  **Efficiency, economy and effectiveness**  - School runs within budget and achieves key expected outcomes and/or school programs are run in a cost effective manner and/or school finances are effectively managed  **Findings/deficiencies** - No critical or high-rated findings identified |
| **Good** | **Design** - Design of controls is adequate and effective in addressing the key risks  **Documentation and communication** - Controls/policies/procedures have been formally documented and are up-to-date and proactively communicated to relevant stakeholders  **Operation/implementation** - Controls are operating effectively  **Compliance** - No known breaches of legislative requirements and/or departmental policies and guidelines have occurred. A comprehensive compliance framework is in place  **Risk management** - Good risk management practices are in place  **Efficiency, economy and effectiveness**  - School runs within budget and achieves all expected outcomes and/or school programs are run in a cost effective manner and/or school finances are effectively managed  **Findings/deficiencies** - Any findings are minor - no critical, high or medium-rated findings identified |

