

Definition of Audit Results

Audit Results

Criteria: Ratings reflect the condition of regulations and precautions as well as compliance with them in order to assure or secure:

- Business transactions and assets,
- compliance with business guidance and company principles (including Management conduct),
- an effective internal control system,
- a functioning management of risks and revenue potential including the respective information systems,
- compliance with legal and supervisory regulations,
- Economy and efficiency of banking services.

Evaluation	good (++)	satisfactory (+)	fair (o)	not satisfactory (-)	deficient (--)
Definitions	Regulations and precautions are appropriate; the internal control system is functioning and effective. No or only low risk findings were raised.	Regulations and precautions are appropriate; the internal control system is functioning and effective. Only modest weaknesses were noted.	Regulations and precautions show weaknesses. Findings were raised in relation to the functioning and/or effectiveness of the internal control system. Damage may occur, if the deficiencies are not remedied.	Regulations and precautions as well as the functioning and/or effectiveness of the internal control system show significant deficiencies. There is a risk of substantial losses/damages, if the deficiencies are not remedied.	Regulations and precautions as well as the functioning and effectiveness of the internal control system show serious deficiencies. The safety of business operations and/or further business development is seriously at risk. There is a risk for imminent losses/damages.
Corrective Action	Findings can be remedied within the normal course of business. No particular degree of supervision is required.		Management responsible for the audited area should determine an adequate action plan and supervise timely implementation.	Close supervision and involvement of the management responsible for the audited area are required. Additionally, a deficient result might require fundamental restructuring measures in the audited area.	

The audit result is primarily derived from frequency, characteristic and impact of findings raised. Thereby, the extent to which the findings reveal weaknesses individually, in their combination or in their correlation with other risks is to be considered. Other criteria are the appropriateness of management's dedication to supervising the business, its control awareness, the implementation of agreed corrective actions and the remediation of findings from previous audits, as well as extent, development and management of risks. In view of diverse conditions and requirements encountered in each audited unit, criteria for the allocation of individual audit results might be weighted differently.