

## Appendix B

## Internal Audit Rating Definitions

Satisfactory	No significant deficiencies exist, while improvement continues to be appropriate; controls are considered adequate and findings are not significant to the overall unit.
Marginal	Potential for minor loss or embarrassment to the auditable unit and, potentially, to the Bank.  Indicates a number of observations more serious in nature related to the control environment. Some improvement is needed to bring the unit to satisfactory status; however, if the current situation continues without attention, it could lead to further deterioration of the rating to an unsatisfactory status.
Unsatisfactory	Significant deficiencies exist which could lead to material financial loss or embarrassment to the auditable unit and, potentially, to the Bank.