

# IIA-Australia Glossary - A

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| <b>ABCs of Auditing</b>                | Concepts of being Attuned, Balanced, Credible.  |
| <b>Acceptance Criteria</b>             | Specified criteria to evaluate deliverables before they are formally approved.  |
| <b>ACFE</b>                            | Association of Certified Fraud Examiners.   |
| <b>ACIIA</b>                           | Asian Confederation of Institutes of Internal Auditors.   |
| <b>Action Plan</b>                     | A document that stipulates the steps required to achieve a specific goal to implement audit recommendations. It identifies the resources needed, allocates responsibility, and reflects the agreed timeline.  |
| <b>Add Value</b>                       | Providing objective and relevant assurance, and contributing to the effectiveness and efficiency of governance, risk management and control processes.  |
| <b>Adequate Control</b>                | Adequate control is present if management has planned and organised (designed) in a manner that provides reasonable assurance the organisation's risks have been managed effectively, and the organisation's goals and objectives will be achieved efficiently and economically.  |
| <b>Administrative Reporting</b>        | The chief audit executive will typically have an administrative reporting line to the chief executive officer or their delegate. In this context, administrative responsibilities include human resource administration and budgets. See also Functional Reporting.   |
| <b>Advisory</b>                        | Refer Consulting.   |
| <b>Agents of Change</b>                | A person or persons from inside or outside an organisation who help the organisation transform its operations, activities and culture through strategic and people-centric innovation, improvement, and focused development. Also referred to as transformational leaders or change agents.   |
| <b>Agile</b>                           | A project management approach (a) Segregate the development lifecycle into sprints (b) Contains a set of different projects that are iterations of the different stages focused on improving quality and feedback from users (c) A flexible model (d) Project follows an iterative development approach, so some phases can appear more than once (e) Flexibility allows changes in the project development requirements, even after planning has been completed (f) Testing is usually performed concurrently with programming (g) Methodology focuses on client satisfaction and involves their participation throughout the development phase (h) Allows for changing and evolving requirements.         |
| <b>Agile Auditing</b>                  | A contemporary approach that delivers a nimble internal auditing response and approach for changing dynamics in an organisation's risk landscape to provide timely assurance and insights to senior management.   |
| <b>Agreed-Upon-Procedures</b>          | An engagement in which a practitioner is engaged by a client to issue a report of findings based on specific procedures performed on subject matter. The client engages the practitioner to assist specified parties in evaluating subject matter, or an assertion, as a result of a need or needs of the specified parties. Consists of auditors performing specific procedures on the subject matter and issuing a report of findings based on the agreed-upon-procedures. In an agreed-upon-procedures engagement, the auditor does not express an opinion or conclusion, but only reports on the agreed-upon-procedures in the form of findings related to the specific agreed-upon-procedures applied. |
| <b>Annual Internal Audit Plan</b>      | See Forward Audit Plan.   |
| <b>Annual Report on Internal Audit</b> | A formal report that showcases the contribution and achievements of the internal audit function over the past year, demonstrates its value, and delivers consolidated insights to the audit committee.  |
| <b>Approach</b>                        | Refer Audit Approach.   |
| <b>Artefact</b>                        | A documentary output of project management.   |

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| <b>Assurance</b>                 | Assurance is a positive declaration intended to give confidence designed to improve the quality of information to aid informed decision-making.  |
| <b>Assurance Map</b>             | A high-level document that identifies the holistic risk coverage across the organisation by a range of assurance providers. Helps to identify gaps and duplication of assurance coverage.  |
| <b>Assurance Services</b>        | An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management and control processes for the organisation. Examples may include financial, performance, compliance, system security, and due diligence engagements.  |
| <b>Attestation</b>               | An examination, review, or agreed-upon-procedures engagement related to subject matter or an assertion that is the responsibility of another party. Examinations provide reasonable assurance, reviews provide limited assurance, and agreed-upon-procedures result in no opinion or conclusion.   |
| <b>Attribute Standards</b>       | The 1000 series Internal Audit Standards - 1000, 1100, 1200, 1300.   |
| <b>AUASB</b>                     | Australian Government Auditing and Assurance Standards Board.  |
| <b>Audit</b>                     | Evidence-based examination of an activity using sampling of the population to test for results that can be extrapolated to provide an opinion on the entire population.  |
| <b>Audit Approach</b>            | Reflects the way that the auditor will conduct their work and gather audit evidence for example risk workshop; control self-assessment; use of technology; testing; collaboration with others. It is defined in the Audit Planning Memorandum.   |
| <b>Audit Client</b>              | Refer Audit Sponsor.   |
| <b>Audit Closeout Memorandum</b> | Compiled at the conclusion of the audit to reconcile the actual audit effort against what was estimated in the Audit Planning Memorandum.  |
| <b>Audit Committee</b>           | A committee of the governing body such as a Board of Directors where the organisation has one with its objectives clearly defined and documented in its charter, and its efficiency and effectiveness measured by reference to its objectives. An independent audit committee is fundamental to good governance. An audit committee typically (a) Focuses on financial reporting integrity (b) Oversees risk and assurance activities including external audit, internal audit, risk management, internal control, and compliance (c) Liaises with the governing body, internal and external auditors and management. The internal audit function through the chief audit executive will typically report functionally to the audit committee through the chair. |
| <b>Audit Evidence</b>            | Relevant, useful, sufficient and reliable information that auditors obtain in the conduct of their audits through observing conditions, research, benchmarking, interviewing people, and examining records.  |
| <b>Audit Finding</b>             | Refer Audit Observation.   |
| <b>Audit Objectives</b>          | Broad statements determined through a systematic and disciplined approach that define what the intended accomplishments of the audit engagement will be.   |
| <b>Audit Observation</b>         | Describes the connection between the audit criteria and the audit evidence to reflect conformity, non-conformity, or opportunities for improvement.  |
| <b>Audit Planning Memorandum</b> | Consolidated single document that reflects the planning efforts for an internal audit engagement. It includes background and risk information; defines the audit objectives, scope and audit approach; highlights known problems; articulates the budget and schedule; contains the requisite approvals; documents conflicts of interests and how they will be managed.  |
| <b>Audit Program</b>             | Contains detailed information on how the step-by-step audit procedures will be performed during an approved internal audit engagement. The audit steps could be aided by a walkthrough assessment document (A4) or a sample selection form (A6).   |
| <b>Audit Report</b>              | The primary means of communicating the outcomes of an audit, reflecting the auditor's observations, opinions, and recommendations arising from the audit.  |
| <b>Audit Report Rating</b>       | Refer Audit Report Rating System.  |

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| <b>Audit Report Rating System</b> | Not all observations and recommendations are equally important, so a consistent well-understood rating system based on the organisation's risk table (impact / likelihood) and risk appetite statement helps management to focus on higher priority observations and recommendations. |
| <b>Audit Scope</b>                | Identifies where the audit will be directed to achieve the audit objectives, such as places, activities, and timeframes. It is the boundaries of the audit.   |
| <b>Audit Sponsor</b>              | The person subject to audit.  |
| <b>Audit Universe</b>             | The range of business activities, programs, functions, and entities that collectively contribute to the achievement of strategic objectives and could potentially be the subject of an audit. It comprises everything that could potentially be audited.                              |
| <b>Audit Work Plan</b>            | Refer Audit Program.  |
| <b>Auditee</b>                    | Refer Audit Sponsor.  |
| <b>Auditor</b>                    | Someone whose job it is to independently undertake internal auditing, aimed at adding value and improving an organisation's operations and helping to achieve its objectives. A staff auditor is an in-house resource.  |