

IIA-Australia Glossary - F

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| Facilitation Payments | Payments made to public or government officials to incentivise them to complete an action or process that is beneficial to the party making the payment. They are illegal in most countries and are tantamount to bribes. |
| Fact | A fact is something that has actual existence, something that can be inferred with certainty, a proposition that is verified or verifiable. Refer also Conjecture. |
| Fieldwork | The process of completing the audit engagement to achieve audit objectives through testing, data analysis and other techniques pursuant to an approved internal audit program. |
| Financial Audits | Independent assessments of whether an organisation's reported financial information for example financial condition, results, and use of resources are presented fairly in accordance with recognised standards or criteria. |
| Financial Statements | Financial statements represent a formal record of the financial activities of an organisation. They are written reports that quantify financial strength, performance and liquidity. Financial statements reflect the financial effects of business transactions and events on the organisation. |
| Findings | Refer Observations |
| Follow-up | A process by which auditors evaluate the adequacy, effectiveness and timeliness of actions taken by management on reported observations and recommendations, including those by external auditors and others. Includes determining whether senior management and the board have assumed the risk of not taking timely corrective action on reported observations. |
| Foresight | The ability to contemplate key risks and challenges that organisations could conceivably face, so that perspective can be shared with management and the board to help them prepare for challenges or opportunities before they arise. |
| Forward Audit Plan | Refer Internal Audit Plan |
| Four E's | Efficiency, effectiveness, economy, and ethical. |
| Fraud | Any illegal act characterised by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organisations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage. |
| Fraud Tree | An occupational fraud and abuse classification system developed by the ACFE that illustrates the three primary categories of occupational fraud (corruption, asset misappropriation, and financial statement fraud), and the common fraud types within each category. |
| Frontline | Frontline is an idiomatic term that refers to hands-on people who are responsible for producing and delivering services and goods directly to customers, clients and stakeholders. They have to achieve targets and deadlines (like factory supervisors aim to do). The term provides a distinction between these roles and senior management's broader leadership role which is more focused on strategic planning, customer and public relations, and oversight, rather than being directly involved in operational aspects of the business. The analogy is that internal auditors apply a hands-on approach, work to deadlines, and deal directly with clients. |
| Functional Reporting | The chief audit executive will typically have a dual reporting line to ensure independence, with functional reporting to the audit committee and administrative reporting to the chief executive officer or a delegate at a senior level. In this context, functional responsibilities include endorsing or approving the internal audit charter and internal audit plan, and reviewing audit reports and reports on the follow-up of recommendations. They will also be involved in the hiring, compensating, performance assessing, and in rare cases removing the chief audit executive. Refer also Administrative Reporting. |