

# IIA-Australia Glossary - F

<b>Facebook</b>	A social network company that allows users to interact with others, connect with friends and family, and share photos, video and information.
<b>Facilitation Payment</b>	A financial payment that may constitute a bribe and is made with the intention of expediting an administrative process. It is a payment made to a public or government official that acts as an incentive for the official to complete some action or process expeditiously, to the benefit of the party making the payment. 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.
<b>Facilities</b>	Includes physical buildings, facilities, infrastructure, assets, etc.
<b>Fact</b>	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.
<b>Factor-Based Investing</b>	A category of rules-based approaches to investing – it seeks to capture factors such as the size of a company or value characteristics which have been shown to drive returns.
<b>FARC</b>	Finance Audit and Risk Committee.
<b>FARM</b>	Finance Audit and Risk Management Committee.
<b>Federated IT</b>	Different computing organisations adhering to a certain standard of operations in a collective manner to facilitate communication – also describes operations between two distinct formally disconnected telecommunication networks with distinct internal structures.
<b>Feedback</b>	Information or statements of opinion.
<b>Fiduciary</b>	Trust involved with the relationship between a trustee and a beneficiary.
<b>Fiduciary Duty</b>	A situation in which one person justifiably places confidence and trust in someone else and seeks that person's help or advice in some matter. For example, the lawyer-client relationship is a fiduciary one because the client trusts the lawyer to act in the best interest of the client at all times.
<b>Fieldwork</b>	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.
<b>Filibuster</b>	An action such as a prolonged speech that obstructs progress in a parliament while not technically contravening procedures.
<b>Financial Audit</b>	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.
<b>Financial Stability Board</b>	FSB – An international organisation that monitors and makes recommendations about the global financial system.
<b>Financial Statements</b>	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.
<b>Financial Statements</b>	Comprise Income Statement / Cash Flow Statement / Balance Sheet

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<b>Financial Statements Sub-Committee</b>	FSSC – A sub-committee of an audit committee tasked with providing the audit committee with sufficient assurance that it can recommend to the organisation that it sign the annual financial statements.
<b>Financial Year</b>	FY – The annual period at the end of which an organisation's financial accounts are closed. May be 1 July to 30 June, 1 January to 31 December, or other variations. May also be called fiscal year.
<b>Findings</b>	Refer Observations
<b>FinTech</b>	Computer programs and other technology used to support or enable banking and financial services.
<b>Firm Fixed Price Contract</b>	Refer Fixed Price Contract.
<b>First Principles</b>	Fundamental concepts or assumptions on which a theory, system or method is based – a first principle is a foundational assumption or proposition that cannot be deduced from other assumptions or propositions.
<b>Fiscal Year</b>	Refer Financial Year.
<b>Fixed Price Contract</b>	A contract where the method of pricing is to pay the total amount as a fixed lump sum including all fees and expenses without regard to the units of work to be performed. Fixed price contracts are sometimes referred to as 'lump sum' or firm 'fixed price contracts'.
<b>FMIS</b>	Financial Management Information System.
<b>FOI</b>	Freedom Of Information.
<b>Follow-up</b>	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.
<b>FOMO</b>	Fear Of Missing Out.
<b>FOOP</b>	Fear Of Over Paying.
<b>Forecasting</b>	Analysing historical data from a specific period to make informed estimates that are predictive in determining future events or behaviors.
<b>Foresight</b>	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.
<b>Form</b>	A pre-formatted document that that serves as a starting point for a new document. May also be called a template.
<b>For-Purpose Organisations</b>	Organisations reflecting a collection of people who have come together because they share a common objective for society – includes charities and not-for-profit organisations.
<b>Forward Audit Plan</b>	Refer Internal Audit Plan
<b>Four E's</b>	Refer Efficient, Effectiveness, Economy, Ethics.

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<b>Fourth Industrial Revolution</b>	Use of modern smart technology to automate traditional and industrial practices using smart machines to analyse and diagnose issues without the need for human intervention. As an example, communications and self-monitoring are boosted by integrating large-scale machine-to-machine communication and the internet of things.
<b>Framework</b>	A structure underlying a system or concept that sets out the components to guide development of a detailed set of policies.
<b>Fraud</b>	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 or misuse of entrusted power for personal gain including bribery, conflict of interest, embezzlement and fraud. May also be called occupational fraud.
<b>Fraud Control</b>	Countermeasures to prevent, detect or respond to fraud.
<b>Fraud Risk Assessment</b>	A process for identifying an organisation's exposure to fraud and developing a plan to mitigate that risk.
<b>Fraud Tree</b>	An occupational fraud and abuse classification system developed by the ACFE that illustrates the three primary categories of occupational fraud (corruption, asset misappropriation, financial statement fraud), and the common fraud types within each category.
<b>Fraud Triangle</b>	A model for explaining the factors that cause someone to commit occupational fraud. It consists of three components which together lead to fraudulent behavior – Perceived unshareable financial need / Perceived opportunity / Rationalisation.
<b>Freedom of Information</b>	A right of citizens to request access to government-held information including information the government holds about a person or about government policies and decisions.
<b>Frequency Analysis</b>	A generic method of analysis that is widely used in social measurement studies and also studies in many other scientific fields.
<b>Frontline</b>	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.
<b>FSSC</b>	Refer Financial Statements Sub-Committee.
<b>FTE</b>	Refer Full Time Equivalent.
<b>FTSE</b>	A figure published by the Financial Times Stock Exchange indicating the relative prices of shares – its most well-known index is the FTSE 100 which is comprised of the most highly capitalised blue-chip stocks listed on the London Stock Exchange.
<b>Full Disclosure</b>	(a) A requirement for publicly traded companies to provide for the free exchange of all material facts relevant to their ongoing business operations and that might affect their share price. (b) Refers for parties to a transaction to tell the whole truth about any material issue pertaining to the transaction.
<b>Full Time Equivalent</b>	FTE – A unit of measurement equivalent to an individual worker or student.

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<b>Functional Reporting</b>	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.
<b>FY</b>	Refer Financial Year.
<b>FYI</b>	For Your Information.