

AUDIT COMMITTEE TERMINOLOGY

Audit Committee

Audit Committees monitor and review the risk, control and governance processes that have been established in an organisation, and the associated assurance processes to ensure that Internal Control Systems are effective and that activities are within the Law and governing regulations. This is done through a process of constructive challenge.

Risk Assessment

A summary of the risks facing an organisation, detailing all major risks it faces, the likelihood of their occurrence, their potential impact and factors in place to mitigate these risks.

Internal Control

The systems an organisation has in place to manage and mitigate risk.

Control Environment

The systems of governance, risk management and internal control.

Corporate Governance

The system by which organisations are directed and controlled. The framework that ensures that an organisation fulfils its overall purpose, achieves its intended outcomes for citizens and service users, and operates in an effective, efficient and ethical manner.

Assurance Framework

The suite of assurances from internal sources (e.g. management, internal audit, risk management) and external sources (e.g. external audit, inspectorates) that support the Annual Governance Statement.

Audit Plan

Internal or external audit identification of the work that they intend carrying out over the audit planning period (up to a year) and the resources needed for that work.

External Audit

External auditors provide an independent check that the annual accounts of a public sector body properly reflect the financial year, funds were spent in accordance with relevant regulations or directions, and that the body achieves the best possible value for public money.

Internal Audit

Internal audit provides an objective appraisal service within an organisation, to improve the organisations risk management, control and governance procedures, and to provide assurance to the Accountable Officer and the Audit Committee on these matters.

Audit Certificate

The document that contains the opinion of the auditor regarding an organisation's accounts, systems and standards.