Audit and Related Terminology

AUDIT TERMS

Audit: Systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.

Internal Audit Types:

Routine: Audits included as part of a planned audit schedule.

Follow-up: Audits performed to verify that corrective actions have been completed and were effective in preventing recurrence.

Special: Audits conducted in addition to routine audits, which are limited in scope to specific objectives.

Audit Program: Defines arrangements for a set of one or more audits planned for a specific time frame and directed towards a specific purpose.

Audit Scope: Defines extent and boundaries of an audit. The audit scope generally includes a description of the physical locations, organizational units, activities and processes, as well as the time period covered.

Audit Objective: Defines the result to be achieved by the audit. Audit objectives include the following, as applicable: 1) determination of the extent of conformity of the auditee's management system, or parts thereof, with audit criteria; 2) evaluation of the capability of the management system to ensure compliance with statutory, regulatory and contractual requirements; 3) evaluation of the effectiveness of the management system in meeting its specified objectives; 4) identification of areas for potential improvement of the management system.

Audit Criteria: Defines the set of policies, procedures or requirements used as a reference against which objective evidence (data supporting the existence or validity of something) is compared.

Audit Plan: A description of the activities and arrangements for an audit. The final audit plan refers to the agreed upon audit plan with the audit customer.

Objective Data: Data supporting the existence or reality of something, usually obtained through observation, measurement, test or other means. Objective evidence may be qualitative or quantitative.

Evidence: The records, statements of fact or other information, which are relevant to the audit criteria and verifiable. Audit evidence may be qualitative or quantitative.

Audit Evidence: The results of the evaluation of the collected audit evidence against the audit criteria. Audit findings can indicate either conformity or nonconformity with audit criteria. If the audit criteria are selected from statutory requirements or regulatory requirements, such audit findings are called compliance or non-compliance.
Audit Finding Types:

**Nonconformance:** The non-fulfillment of a requirement. If necessary, internal audit nonconformances might be categorized as major or minor. (Major referring to the absence or complete breakdown of a management system requirement or nonconforming product/service escaping to a customer, while minor referring to an isolated management system breakdown usually random in nature.)

**Opportunity for Improvement:** Identification of areas that have a potential for a breakdown or weakness in the process, system or procedure.

**Exemplary Practice/Positive Finding:** Effective and positive implementation of a process, system, or procedure.

**Audit Conclusion:** The outcome of an audit after consideration of the audit objectives and all audit findings. Audit conclusions should address 1) the extent of management system conformity with the audit criteria, and 2) the effectiveness of the management system implementation.

**Audit Customer/Audit Client:** Organization or person requesting an audit.

**Auditee:** Organization being audited.

**Auditor:** Person who conducts an audit.

**RELATED TERMS**

**Requirement:** The need or expectation that is stated, generally implied or obligatory.

**Quality Requirement:** A requirement related to quality.

**Statutory Requirement:** An obligatory requirement specified by a legislative body.

**Regulatory Requirement:** An obligatory requirement specified by an authority mandated by a legislative body.

**Conformity:** The fulfillment of a requirement.

**Nonconformity:** The non-fulfillment of a requirement.

**Correction:** Action to eliminate a detected nonconformity. A correction can be made in advance of, in conjunction with or after a corrective action.

**Corrective Action:** Action taken to eliminate the cause of a nonconformity and to prevent reoccurrence. Preventive action is taken to prevent recurrence whereas preventive action is taken to prevent occurrence.

**Preventive Action:** Action taken to eliminate the cause of a potential nonconformity or other potential undesirable situation. Preventive action is taken to prevent occurrence whereas corrective action is taken to prevent recurrence.

**Effectiveness:** The extent to which planned activities are realized and planned results are achieved.