

Appendix D: Acronyms and glossary

Acronyms We use the following acronyms in this report:

Acronym

EBIT	earnings before interest and taxes
IT	information technology
TAFE	Technical and Further Education
VAGO	Victorian Auditor-General's Office
VET	vocational education and training

Glossary This glossary includes an explanation of the types of engagements we perform:

Term

Reasonable assurance	We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to express an opinion or draw a conclusion against an audit objective with a high level of assurance. We call these audit engagements. See our assurance services fact sheet for more information.
Limited assurance	We obtain less assurance when we rely primarily on an agency's representations and other evidence generated by that agency. However, we aim to have enough confidence in our conclusion for it to be meaningful. We call these types of engagements assurance reviews and typically express our opinions in negative terms. For example, that nothing has come to our attention to indicate there is a problem. See our assurance services fact sheet for more information.
Capital grants	A capital grant is funding that an entity is given to increase its assets. TAFEs often spend this money on building new infrastructure and buying new equipment.
Clear opinion	A 'clear' or 'unmodified' audit opinion means we have reviewed an entity's financial report and believe it is reliable and complies with relevant reporting requirements.
Controlled entity	A controlled entity is an entity that another party has the power to govern and make financial and operating decisions about.
Depreciation and amortisation	Depreciation and amortisation are when an entity spreads the cost of a long-term asset (either tangible or intangible) over the period of time that it plans to use it.
Fixed assets	Fixed assets are long-term assets that an entity cannot quickly change to cash.
Going concern	Going concern means that an entity is expected to be able to pay its debts when they fall due and continue to operate without any intention or need to liquidate or otherwise wind-up its operations.
Liquid assets	A liquid asset is an asset that an entity can easily change to cash. It includes cash equivalents such as term deposits, current assets, and non-current investments such as listed shares and managed funds redeemable at call.
Material	We consider an error material if misstating it or not including it could influence a user's decision or understanding.

Term

Operating grants	An operating grant is funding that an entity is given to put towards its running costs, such as staff salaries and utilities.
Revenue and income	<p>Revenue is money or a benefit that an entity gets through a contract with another party. The entity records revenue when it fulfils its commitments in the contract. For example, when a TAFE has delivered tuition to a student.</p> <p>Income is money or a benefit that an entity gets from any other source. In most cases, the entity records income immediately when it receives it. For example, when a TAFE gets a cash donation or when one of its investments goes up in value.</p>
Patches	Patches are changes to a piece of software (including operating systems) or ICT equipment to remedy security vulnerabilities, improve usability, or improve performance.
