

APPENDIX F2: FRAUD RISK MANAGEMENT HIGH-LEVEL ASSESSMENT

This checklist can be used to make an initial, high-level assessment of an organization's fraud risk governance policies.

#	Question	Response	
1.	Our organization's board of directors or designated committee is actively involved in oversight of our fraud risk management program and: <ul style="list-style-type: none"> a. Reviews and approves written code of business conduct b. Reviews and approves fraud control policy c. Reviews fraud risk assessment activities d. Requires timely notification of investigations relating to fraud and misconduct e. Receives updates on status of investigations and resulting remediation and corrective action f. Receives updates on ethics and fraud training activities g. Receives periodic reports on effectiveness of fraud risk management program, as well as fraud prevention and detection controls 	Yes	No
2.	Our organization has a written code of business conduct.	Yes	No
3.	Our organization has a written fraud control policy.	Yes	No
4.	Our code of business conduct and fraud control policy are each administered by a process owner who is responsible for its operation.	Yes	No
5.	Our personnel read, acknowledge our code of business conduct and fraud control policy on an annual basis and disclose any known conflicts of interest or other code violations.	Yes	No
6.	We have a fraud risk management program which includes documented internal control activities designed to prevent and detect fraud.	Yes	No
7.	Our organization conducts an annual fraud risk assessment to identify, analyze, prioritize and respond to risk arising from fraud and misconduct.	Yes	No
8.	We provide training on the code of business conduct and fraud control policy to the board of directors and personnel annually.	Yes	No
9.	We have ethics-related metrics incorporated within our performance evaluation process.	Yes	No
10.	We have one or more mechanisms to report concerns and complaints or obtain advice on ethical matters: <ul style="list-style-type: none"> a. Hotline (available 24/7/365) b. Website c. Electronic mail ("email") address 	Yes	No

#	Question	Response	
	d. Letters to board of directors or designated personnel e. Chain-of-command f. Open door policy		
11.	Our policy is never to retaliate against whistleblowers and we hold our personnel accountable for this policy requirement.	Yes	No
12.	We timely respond to allegations of fraud and misconduct by triaging the issue into appropriate response mechanisms: a. Immediate response (within a few hours) b. Prompt response (within a few days) c. It can wait, low or no priority assigned to it	Yes	No
13.	We promptly investigate all allegations and report the results according to the severity of the issue: a. Board of Directors b. Regulatory / law enforcement notification c. Criminal prosecution d. Civil litigation e. Termination of individual(s) f. No action required	Yes	No
14.	We insure that all remediation/corrective actions resulting from our investigations are implemented: a. Asset recovery b. Insurance claim c. Internal controls d. Training e. Reassignment f. Probation g. Restitution h. No action required	Yes	No
15.	We periodically review the fraud risk management program and make adjustments to align with our fraud risk profile.	Yes	No
NOTE: All responses to this questionnaire should be answered yes. If the answer to any of these questions is no, this indicates a potential weakness in the organization's control environment.			