Checklist 7—Screening Assets Management for Possible Wrongdoing and Fraud

For “Yes” answers, auditors should:

* determine the reasons for the Yes answer,
* assess the significance of any Yes answers, and
* assess the implication of several Yes answers and how they relate.

The auditor should consider undertaking additional work to clarify or resolve these warning signs or red flags.

Auditors can amend the questions or add questions as appropriate to reflect the uniqueness of the entity.

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| **QUESTIONS** | **YES** | **NO** | **COMMENTS** |
| 1. Is there poor segregation of duties related to asset management? |  |  |  |
| 1. Is the monitoring of assets inadequate? For example, is there inadequate supervision or verification of inventory counts? |  |  |  |
| 1. Are assets delivered to questionable addresses? |  |  |  |
| 1. Are write-offs of assets or sales poorly controlled? |  |  |  |
| 1. Are authorizations and valuations for the disposal of assets questionable? |  |  |  |
| 1. Were assets disposals not properly recorded? |  |  |  |
| 1. Were there any missing requisitions? |  |  |  |
| 1. Were requisitions not approved by the appropriate personnel? |  |  |  |
| 1. Were invoices for assets received where there was no evidence of delivery from the supplier? |  |  |  |
| **Other Questions** |  |  |  |