Checklist 5—Screening Expense Accounts 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. Are expense receipts missing? |  |  |  |
| 1. Are detailed receipts missing (i.e. only credit card slips were submitted)? |  |  |  |
| 1. Are photocopies of receipts submitted rather than originals? |  |  |  |
| 1. Are receipt dates old or missing? |  |  |  |
| 1. Does the employee submitting the expense report have an entity credit card? |  |  |  |
| 1. Are there discrepancies between dates of travel receipts and the employee’s travel, work schedule, or timesheets? |  |  |  |
| 1. Is the purpose of the expense not indicated? |  |  |  |
| 1. Are credit card statements and expense reports not compared? |  |  |  |
| 1. Is the expense report review process inadequate? |  |  |  |
| 1. Is no T4A issued for taxable benefits? |  |  |  |
| 1. Are the Code of Conduct or ethics policies weak, non-existent or not enforced? |  |  |  |
| **Other Questions** |  |  |  |