# [Entity]

# Year ended [Date]

**Date** [DATE]

**Attendees** [NAME], [ENTITY NAME]

[NAME], OAG

| Questions **(*The italicized questions are mandatory.*** All others are example questions that could be addressed to the CEO, CFO, and Financial Controller, and other management depending upon the structure of the entity**).** | **Response** |
| --- | --- |
| **a) Questions to gain an understanding of historical frauds perpetrated and the commitment of the management regarding fraud prevention, deterrence and detection.**   * *Do you have any knowledge of any actual, suspected or alleged fraud or fraudulent reporting that could result in a material misstatement of the entity's financial statements?* * *Do you have any knowledge of any other fraud or fraudulent reporting, regardless of materiality, perpetrated or any alleged or suspected fraud?* * Have you received any letters or communications from employees, former employees, analysts, short sellers or others concerning allegations of fraud? * In the past, what kinds of frauds have been committed against the entity by employees or executives, including defalcations and employee thefts? (For a new entity) * What incentives and pressures do you perceive to be on management and how are the related fraud risks managed? * Where fraud or potential fraud is identified, how is the matter investigated and remediated? * (For a new client) In the past, what kinds of frauds have ben committed against the entity by employees or executives, including defalcations and employee thefts? Do you have any knowledge of any fraud perpetrated or alleged or suspected that could result in a material misstatement of the entity’s financial statements? * [Additional question] * [Additional question] |  |
| **b) Questions to gain an understanding of management’s fraud risk assessment and related controls.**   * *What is your understanding about the risks of fraud in the entity, including any specific fraud risks the entity has identified or any account balances or classes of transactions for which a risk of fraud may be more likely to exist, and why?* * *(If the respondent indicates that they have identified any specific fraud risks or any account balances or classes of transactions for which a risk of fraud may be more likely to exist) What programmes and controls has management established to mitigate specific fraud risks that have been identified?* * *How does management monitor those programmes or controls? (see guidance on assessing management’s anti-fraud programs and controls in OAG Audit 5505);* * *(If the respondent indicates that they have* ***not*** *identified any specific fraud risks or any account balances or classes of transactions for which a risk of fraud may be more likely to exist). What programs and controls has management established to otherwise help to prevent, deter and detect fraud?* * *How does management monitor those programmes or controls? (see guidance on assessing management’s anti-fraud programs and controls in OAG Audit 5505);* * Has anyone asked you or others within the entity to withhold information from us, alter documents, or make fictitious entries in the books? * Are you aware of any inappropriate or unusual activity relating to the processing of journal entries and other adjustments? * [Additional question] * [Additional question] |  |
| **c) Questions to gain an understanding about how management communicates its commitment regarding the prevention, deterrence and detection of fraud.**   * + *How does management communicate its views to employees on business practices and ethical behaviour?*   + *Have you reported to the Audit Committee or others with equivalent authority and responsibility on the entity's internal control and how management believes internal control serves to prevent, deter, or detect material misstatements due to fraud?*   + How does management demonstrate behaviour consistent with their views?   + [Additional question]   + [Additional question] |  |
| **d) Questions to gain an understanding about how management monitors operating locations or business segments.**   * *Are there any particular subsidiary locations or business segments for which a risk of fraud is more likely to exist?* * What procedures are in place to monitor the controls and programmes at operating locations or business segments that are designed to prevent, deter or detect fraud? * How have the Board/Audit Committee views on fraud and control procedures been communicated to you and other senior management? * What procedures are in place to review the results of operating locations or business segments to identify unusual or unexpected results which could indicate potential fraudulent manipulation * [Additional question] * [Additional question] |  |
| **e) Questions about tips or complaints regarding the company’s financial reporting.**   * Have you received any tips or complaints regarding the company’s financial reporting (including through the whistleblower program)? * If so, how have you responded to such tips? * [Additional question] * [Additional question] |  |
| **f) Questions about the risks of material misstatement due to error.**  [Using your knowledge of the entity and its environment as well as information from other risk assessment procedures, make inquiries of management and others who might reasonably be expected **to have information that is important to the identification and assessment of the risks of material misstatement due to error. Such inquiries may include, for example:**   * Discussions with finance and operation personnel about the business, including changes * Changes in business or financial risks * New or changes in significant contracts, complex, or unusual transactions * Consideration of financial performance measures, including the impact on compensation] |  |

**Note**: When addressing questions to gain an understanding of management’s fraud risk assessment and related controls, team should consider the linkage with assessment of internal control components.